THE FINANCIAL POST

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The Nation's Business

The Drew Letter Must be Revealed

Already hundreds of Canadians have read the George Drew letter to the Prime Minister. Hundreds of Americans have read it, since an extensive digest was broadcast on press wires. But the great mass of Canadians are deprived of this right by a wanton abuse of wartime press censorship.

Information in the letter sickens the hearts of those who have read it. The opinion expressed by scores of newspapers throughout Canada is shared by The Financial Post that it lends the strongest coloring of truth to the Drew allegation that some of the Commissioner's findings were not on the facts.

That the Administration should not welcome the revelations of this letter is understandable. That the Canadian people should, however, have as their leaders an Administration that will condone things such as the letter reveals, which will not face up to the bitter facts and take action that will obviate repetition of ghastly mistakes is shocking and extremely disturbing.

The tragedy of Hong Kong cannot be repaired; lives cannot be restored. But the purpose of an inquiry is not to find a scapegoat or to punish. It is to prevent repetition of errors.

Enough has already come out, and enough has been whispered about the Hong Kong affair, that no strong-arm methods on the part of the administration will be completely successful in keeping it from the Canadian public. There is no scrap of information in the letter that can conceivably be of value to the enemy at this stage. To use the excuse of censorship to black out the letter is to make a mockery of parliamentary institutions.

The only thing about the letter which may "bring aid and comfort to the enemy" or which "is likely to prejudice recruiting" will be a continued effort to suppress it and to do nothing to see that these blunders can never again occur.

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HOW CAN CANADA BEST USE ITS MANPOWER?

Decisive action on Canada's manpower problem is mandatory.

Today's situation is one in which two major department heads are competing furiously and jealously for Canada's dwindling supply of human resources; that still a third minister is at the controls of the army draft machinery; that the man who is supposed to be Canada's manpower "boss," who is assigned the task of seeing that each Canadian serves where he is best fitted to serve, seems to be sitting on the sidelines, almost helpless.

Overlapping authorities, conflicting aims, lack of policy and sheer neglect are resulting in outrageous abuse of the patriotic willingness of Canadians to serve their country where they are needed most; in slowing down the volume of war production and in preventing sound planning for the armed services.

Here is the picture:

The Minister of Munitions and Supply, Hon. C. D. Howe, wants not only to maintain, but increase Canada's arms production.

At the same time, Hon. J. L. Ralston is insisting that the Canadian Army be swiftly enlarged. And he is forcing the issue by stepping up the number of men to be drafted very sharply.

It is abundantly plain that the Administration is completely lacking in any realistic policy; that it has failed to make a sober and objective appraisal of how much Canada's human resources can do in the war effort and where that available energy will be best directed.

For without immediate action on a planned, co-ordinated basis, there is a stark possibility of Canada facing a serious breakdown in her war effort because of the physical impossibility of drafting 60,000 men into the Army in July, August and September alongside:

(a) the active competition for volunteer recruits on the part of the three armed services;

(b) the increasing and critical shortage of men for war industry, essential mining and lumbering;

(c) the demand for harvest labor on Canadian farms which will develop at mid-August the most crucial urgency of any harvest in our history.

Any pretense at making an all-out war effort—and Canadians generally will be satisfied with nothing less—means that each Canadian must be assigned to that particular task for which he is best fitted and which will contribute to the particular phase of war winning which the nation has undertaken.

Very clearly Canada needs, first a manpower boss with overall power and authority adequate to meet contingencies such as have now arisen and which will continue to arise in more aggravated form in months to come. Second, an administration with the fortitude and sense of responsibility to face the issues involved in such a step without continued compromise and procrastination.

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LET'S MOBILIZE EVERYTHING

In this issue, The Financial Post reports on one of the finest facets of Canada's war effort; the mobilization of the metals industry for war, from the mine to the arsenal.

In all links of the metals chain, Canadian industry has done more than the most hopeful might have expected. Base metal mine operators have contracted to sell at bargain prices. Metal workers are cheerfully foregoing their first opportunity to make reasonable profits in more than a decade. The declining cost of weapon and ammunition production demonstrates that Canadian production skill is high.

But bargain base metals are being turned out from ore that can never be replaced. Thousands of Canadian men and women are devoting their energies—months and years out of their lives—to the task of production. Skilled workers are being encouraged to stick to their jobs with the argument that their contribution to the cause of victory will be greater than in what may seem to be the more glamorous adventurous service of the armed forces.

When such sacrifices of the national strength and heritage are being made, it becomes everybody's business to insist that they shall not be wasted.

And revelations about some of the equipment being supplied our forces, plus the gravity of the war situation, make it more than ever vital that the United Nations get rid of the dead-hand of the past in weapon design and turn the job over to the inventive genius and engineering skills with which the system of free enterprise has so abundantly endowed this continent.

Canadian industry takes responsibility for production; not for much of what is to be produced.

Our production record is admirable. Much less can be said for the design of some of the things we have undertaken to produce.

In Egypt, at least one weapon now being turned out in Canada has got a black-eye. The 25-pounder gun-howitzer is made but not designed by Canadians. With its low muzzle velocity, its effectiveness is a striking contrast to that of the 6-pounder anti-tank gun, widely attributed to the designing genius of General McNaughton. Long before the reverses in Libya and Egypt, General McNaughton was reported highly dissatisfied with some Allied artillery. General Worthington and Canadian engineering are credited with making vital changes in the Ram tank.

It is very high time that the weak spots in allied arms design be repaired. Why not mobilize everything for victory? That includes mobilizing skill and up-to-date scientific knowledge.

Oil Tankers to Get Dominion Subsidy

Bonus Figured on War Risk Insurance — Part of Revamped Subsidy Plan Now Drafted for Major Items Except Cotton

By KENNETH R. WILSON

OTTAWA.—Decision to subsidize the movement of crude oil into Canada by tanker to the extent of the increase in war risk insurance rates has been reached by the government, The Financial Post is informed.

Cost of the subsidy which will be administered by the Commodity Prices Stabilization Corporation Board for the W. P. T. B. may run as high as $30 millions annually.

Basis on which the subsidy will be paid is to absorb the increase in basic war risk insurance rates which have taken place since January, 1942.

The most important increase is a 225% surcharge which came into effect in April and which has enormously increased the cost of laying down crude oil at seaboard.

Presumably, if there are further increases in the rate due to any further increase in sinkings along the Atlantic seaboard these increased costs will also be met by direct subsidy from the board.

The subsidy will not be payable on crude oil brought in for re-export to Newfoundland or other countries.

Agreement of the basis on which this subsidy is to be paid, leaves only one important subsidy area still unsettled, namely the subsidy on cotton imports.

Many months ago it was agreed in principle that the import of cotton would be treated on the same basis as was announced for a specified list of domestic food items, namely by tying the subsidy to the Excess Profits Tax. Formal settlement and announcement was withheld pending the bringing down of the 1942 federal budget.

Other main items of subsidy are roughly as follows:

1. Butter subsidy—$15 millions annually.

2. Routine day-to-day payments

(Continued on page 2, col. 8)

Streamline Source Taxes To Assure All Pay Up

By STAFF WRITER

OTTAWA—Because it cut directly athwart government policy, abandonment of the original plan to supply employers with a "table of deductions" for income tax purposes, has been decided upon.

In its place employers will be required to deduct the entire amount of gross tax for which employees are eligible under the new schedules (including minimum saving requirement) except or unless an employee can file a formal claim to exemption.

Although the original plan for an official "table of deductions" to be supplied all employers would have been much more simple to administer both in the hands of employers and income tax officials, the reason it was abandoned was because of the fear that had it been followed, tens of millions of dollars of taxes due the government would never have been collected.

Young Taxpayers Factor

It was feared that thousands of youthful wage-earners liable for tax payments and unable to claim allowance for insurance, mortgage or pension payments would never have caught up with their income tax obligations had anything less than the full amount of their tax been deducted from their pay envelopes.

Under the "table of deduction" plan an unmarried worker with no insurance or other obligations and earning say $1,500 a year would have been required to pay "at source" only $280 or $290 out of his total tax liability of $367. It would have been up to the wage earner to pay the rest of his tax ($70 or $80) after the final accounting had been arranged and his income tax papers filed in September or October, 1943.

Reconsideration of this proposal in light of broad governmental policy was considered essential for two reasons:

1. It was thought there would be considerable difficulty in "catching up" on this back payment.

2. By leaving the $80 or $90 in the wage earners' hands for the next 12 months, the government would be in large measure defeating one of the chief purposes of the budget, namely the withdrawal of this excess purchasing power from the stream of national income.

It was argued that it is the young, new wage earners (most of whom have no financial obligations and who are earning "big money" probably for the first time in their lives) who are the very persons for whom the budget was especially designed and that to fail to collect at the source a considerable portion of the "minimum saving requirement" would leave in the national purchasing stream millions of dollars which would be most actively competing for a dwindling quantity of goods and services.

Another reason why the original plan has been abandoned is because it was felt that there would be considerable hardship, on persons in the "middle" income brackets who would be required to pay not only their mortgage, insurance and pension payments in full but would also be required to deposit with the government (pending a refund at the end of 1943) a sum equal to approximately one third of the amount of these obligations.

Business Index Reflects Full Employment

Further evidence that Canada is at or near a condition of maximum production is given by the preliminary June, 1942, figure for The Financial Post's index of business activity. Gains continue to be made in a number of the components—those directly stimulated by war—but others, are feeling to an increasing extent the effect of a switch to a wartime economy. The decline from May is largely due to adjustments for seasonal factors as the average of the basic factors was practically maintained.

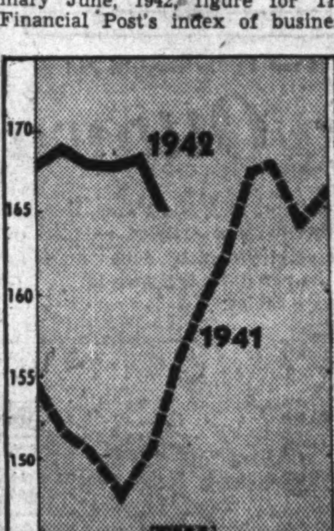


Chart by The Financial Post

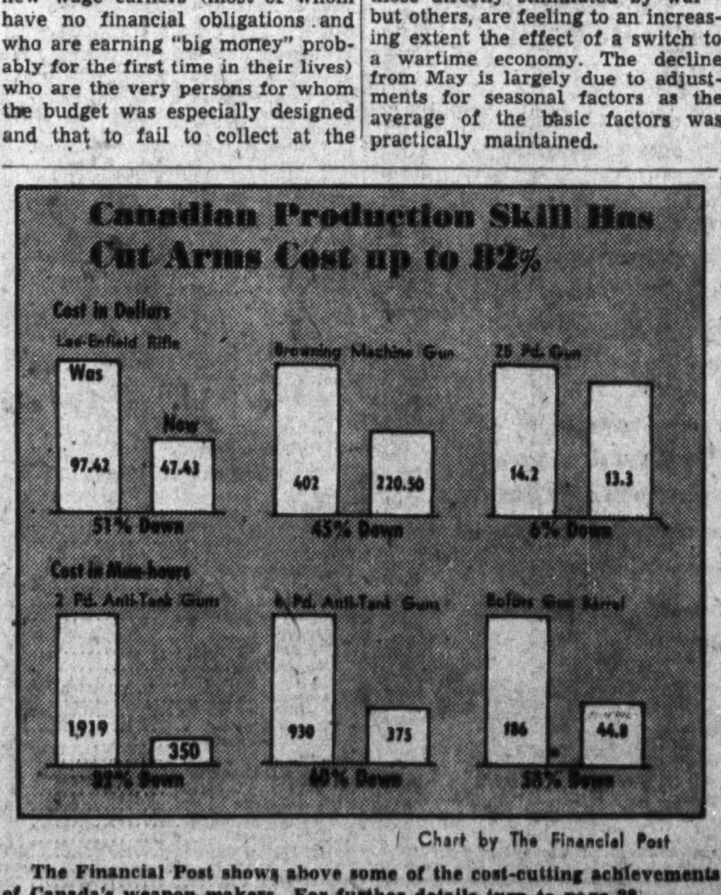
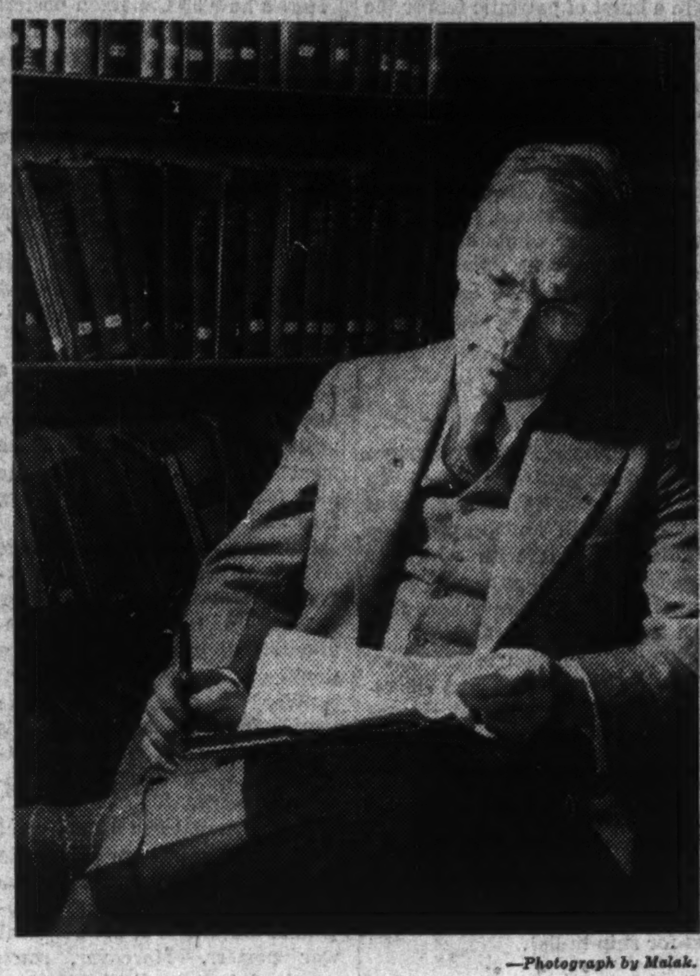


Chart by The Financial Post

The Financial Post shows above some of the cost-cutting achievements of Canada's weapon makers. For further details turn to page 28.

No. 1 Price Policeman



—*Photograph by Malak.*

Chief enforcement officer of the Wartime Prices and Trade Board is Fred Alexander McGregor. He dislikes the regulations he has to enforce, expects no one to like them, but sees them as a necessary evil in wartime. His job gets harder as it becomes more difficult to enforce gasoline, sugar, tire and price ceiling orders, and last month alone he had nearly as many prosecutions before the courts as in the previous half year. The number will increase.

Draft Cuts War Production

Army Call-ups Take Key Workers

By ROBERT C. STARK

While loud demands are being heard for more and better weapons, Canada's part in producing those tools of war is being hurt by a tangled manpower situation, production men tell The Financial Post. Expanded war plant capacity is not being fully reflected in a corresponding upward curve in the total of war goods production.

Some Ottawa officials incline to the belief that we are still some distance away from exhausting our supply of labor. Officials of many war plants interviewed by The Financial Post say that they are smack up against one of the toughest problems they have yet had to face. These plants are losing many men, some of them highly skilled, to the army draft.

Recently, an Ontario plant producing highly essential war material reported drafting of two skilled men. Within a week a vital department lost half a shift a day, entailing a substantial loss in essential production.

Officials state that the skill of the two men is useless to the army; that the job requires great physical stamina, the work being done in temperatures up to 140 degrees, that it takes two years to train replacements. Women, older men, or rejects from the army are unable to stand the physical strain, hence this department will continue to compete with the army for men.

From another plant a 21-year-old precision worker has been called up. His skill, developed in seven years of work, is largely a matter of natural aptitude. The youth in question was worth more to his firm than many who had twice his length of service. His employers state there is no job in the army for the delicate work he performs, yet all appeals have so far been in vain.

In this case, the employers have spent $400 in advertising and three weeks time in searching for a sub-

(Continued on page 2, col. 7)

Ilsley Asks For Dollar Crusade

Says Compulsory Savings Plan Brings One of Biggest Jobs Yet Faced

By STAFF WRITER

OTTAWA.—From Hon. J. L. Ilsley there came this week a frank admission that the 1942-43 programme of fitting a system of compulsory savings into a plan of voluntary saving "is one of the biggest tasks that this or any other government has ever undertaken" and that the job was almost as difficult as the institution of price control.

Under questioning by opposition members, Mr. Ilsley admitted that the "budget gave a bit of a jolt to the national war savings organization." He admitted that he could give no estimate of what might be raised by way of war savings certificates under the new conditions, nor

(Continued on page 2, col. 7)

Draft Lottery Plan Not Being Used

By STAFF WRITER

OTTAWA. — The government has decided to abandon its original intention to call men by lot when drafting them into the armed services, The Financial Post is informed.

Questioned on this matter in the House by John Diefenbaker, M.P., this week, Mr. Thorson admitted that the plan hadn't yet been worked out and wouldn't be available for the August call.

It is now believed that the department has decided after study to abandon the whole scheme as impractical.

In the United States the original method of calling up men by lot has also been abandoned.

'Poverty in Midst of Plenty'; Stolper Blasts Another Fable

By GUSTAV STOLPER

The paradox of poverty amidst plenty puzzled and still puzzles not only the tellers of fables but also some of the most realistic expert minds.

The fable is not the poverty—that is stark reality. The fable is the plenty. Our globe, after almost two centuries of the industrial age, is still a "wretchedly poor place."

We have now a rather complete, impressive picture of the degree of poverty in the world as measured by American standards. Colin Clark, to whose studies of national income economic science has been indebted for years, has recently published a comparative international study that sheds all the statistical light to be had today on our problem. He measures the purchasing power in various countries in "international units" (I.U.), defined as "the amount of goods and services which could be purchased for $1 in the United States of America over the average of the decade 1925 to 1934," which includes highest and lowest prices, booms and depressions alike.

An average real income per year of 500 I.U. or less (which roughly corresponds to $10 per week and family) is the lot of 81% of the world's population. A living-standard of 1,000 I.U. ($20) per week or more is found only in the United States, Canada, Australia, New Zealand, Argentina, Great Britain and Switzerland. All these countries together account for barely 10% of the world's population. They are the "plutocrats." Another 9% live in the other principal industrial countries of Europe, with an average per capita income between 500 and 1,000 I.U ($10 to $20 per week). About 53%, including all India and China, live on a real income of less than 200 I.U. (less than $4 per week and family). Before the "China incident" the average real income of the breadwinner in Japan was about one quarter of that of an American. In the last two years, with the return of American prosperity and Japan's exhaustion, it may have dropped to one sixth. So much for the poverty.

The Financial Post presents the fourth of a series of eight articles from Dr. Gustav Stolper's major work—"This Age of Fable."

A 1933 refugee from Hitler's Germany, Dr. Stolper is now serving in New York as an economic consultant. His background as correspondent for the "Economist," editor of an economic weekly, member of the Reichstag and representative to the League of Nations has made him a leading authority in his present work.

In the accompanying article Dr. Stolper deals with the fallacious type of thought that has characterized the capitalist economy as one of poverty amidst plenty.

Every Man a King

What about the plenty? Is it true, as we are told, that if we could only let our capacity run

(Continued on page 5)

One Manpower Boss Answer to New Crisis?

End of Voluntary System in Army and Industry Possible Result of Cabinet Battle — Big Army vs. Big Production Controversy Still Unsettled

By KENNETH R. WILSON

OTTAWA.—Best appraisal of the mid-summer manpower crisis points to a breakdown of the present confused and divided mechanism during August or at the very latest, early September and a possible showdown on the basis of a single, all-powerful manpower boss in charge of a unified, compulsory system of selective service.

The breakdown will come, in the view of competent observers, because of the impossible demand for 60,000 draftees which the army is making in July, August and September. In some quarters it is openly averred that the army and defense officials are making a deliberate attempt to force the issue. Certainly they will be the first to welcome the break which it is now generally believed must come.

It is not denied that given time and more orderly selective machinery, the heavy and accelerated army demand might be met. But coming at a time when the three armed services are openly competing for manpower in the recruiting depots; when industry is still scrambling for men to man the production lines; when at least 150,000 men will be urgently needed on Canadian farms to meet the mid-August peak and garner in the prospective bumper crops, it is felt that there is little more than the proverbial snowball's chance of the draft demand being met.

Cabinet Debate

On the political level, the cabinet is reported last week to have staged a full-dress debate on manpower—a debate in which individual ministers and officials were given an opportunity to express their views and state their position. Chief protagonists were Messrs. Howe, Ralston and Mitchell. As a result of the discussion the special cabinet subcommittee on manpower, which has scarce-

(Continued on page 2, col. 6)

Spinney Lines Up Railwaymen and Farmers for Thrift

By STAFF WRITER

OTTAWA.—Two new areas of potential "war saving" which are now being approached by the National War Finance Committee; railway employees and farmers.

On Aug. 2, representatives will meet here in Ottawa to plan a country-wide drive toward enlisting all rail workers more actively behind payroll deduction plans of saving wartime income.

George W. Spinney, national chairman returns this week from a trip through western Canada. One purpose of the trip has been to establish contacts for various types of farm deduction plans which are to be a feature of the 1942-43 war finance campaign.

It is realized that in many areas Canadian farmers are earning substantial cash income due to increased sales at good prices of hogs, cheese, eggs, etc. What is proposed is various types of deduction plans; hog-deduction, egg-deduction, etc., which will commit individuals or groups of farmers to contribute so much to war savings bonds or certificates when they get paid for their produce. In some areas where this plan has already been tried the plan has met with considerable success.

90,000 Now Working For Dominion Govt.

By KENNETH R. WILSON

OTTAWA.—Canada's federal civil service is now at or near the 90,000 mark (double the prewar figure) and is growing at the rate of almost 1,500 a month, according to figures compiled by The Financial Post on the basis of latest official information.

Three years ago there were 46,000 persons on the "official" civil service payroll. That included 32,000 on the "permanent" list and nearly 14,000 "temporaries." The figure is exclusive of those employed by public service corporations (CBC, the Bank of Canada, the C.N.R., etc.) and all provincial civil servants or employees. It excludes also those on the payroll of the armed services.

Today the grand total as nearly as can be estimated from latest official figures is nearing the 90,000 mark. Of this less than 30,000 are permanent employees and the balance are "temporary." Most of these have been taken on by wartime boards and agencies or gone into peacetime departments such as income tax, etc., which have found their work and responsibilities greatly increased since the war.

$15 Millions a Month

At Ottawa itself the government now employs about 28,500 civil servants of which about 7,200 are "permanent" and the balance (21,300) "temporaries." This compares with

(Continued on page 2, col. 3)

It's Your MONEY

- - - that is being spent to pay for 600 inspectors in one gun production plant which overlap and duplicate the work of 800 inspectors in the same plant appointed by another authority.

This is a major finding of Subcommittee No. 3 on War Expenditures which made a report last week in the House of Commons. The committee finds that there is "duplication and overlapping in the inspection of guns and recommends that this be eliminated."

The committee found that Canada still follows discarded U. K. peacetime practice which calls for two classes of inspectors: one representing industry and the other the United Kingdom Inspection Board. In various plants visited by the committee there were hundreds of men going over parts of these guns, first on behalf of the industry itself, second by U. K. officials.

The committee recommends one complete system of spot inspection and final inspection and says that if this were done "several thousand inspectors could be profitably employed elsewhere in the production of guns."

At the same time hundreds of thousands of gauges could be taken from the Inspection Branch and used profitably in another branch.

Economies effected "might easily run into several millions of dollars," says the report.

MEN'S SHOP

FINE APPAREL FOR MEN

A Holiday is a Wartime Essential!

Troops on the fighting front come back keener than ever after the occasional leave or furlough . . . and workers on the home front get back on the job with renewed energy after a few days of rest and relaxation. Make the most of your holiday, whether it lasts a month or a week-end . . . have the right kind of play togs — styled for holiday wear!

HOLIDAY SUGGESTIONS FROM THE MEN'S SHOP

English All-Wool Flannel Slacks, pair .... 9.50 and 11.95
Knitted Wool Sweaters, each .... 2.95 to 14.50
Cotton Terry Cloth Beach Coats, each 12.50
Cotton Terry Cloth Beach Robes, each .... 9.50 to 12.50
"Jantzen" Swim Trunks (all-wool or rayon and cotton mixtures) each .... 2.95 to 4.50
Cotton Sport Shirts, each .... 2.50 to 4.00
Light Weight Summer Fur Felt Hats, each .... 5.00 to 7.50
Leather Sport Shoes, pair .... 3.98 to 6.50

FREE PARKING WHILE SHOPPING

MEN'S SHOP

CIVIL AND MILITARY OUTFITTERS

at EATON'S - COLLEGE STREET

The Council of the Town of Fort Frances would like to get in touch with any persons or firms looking towards industrial expansion. Good industrial sites are available on railroad and on Rainy River; power is available at reasonable rates; a thriving town of 5,500 centrally situated. Any one interested should write the undersigned for further information.

J. W. WALKER, Clerk,
Town of Fort Frances, Fort Frances, Ontario.

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The War and Business . . .

Those Soaring Taxes

In 1912 family taxes, real estate and municipal income tax amounted to $387 for a Hamilton man or about $1 a day. In 1942, this man tells The Financial Post, his taxes will be almost $1 an hour on an income half as large as it was in 1912. He is living in the same house.

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Patriots Not Wanted

In a burst of patriotic fervor the office staff of a well known Canadian advertising firm offered its services through the medium of a display advertisement to the farmers and fruitgrowers of a rich nearby agricultural area. Twenty volunteers, 12 women and eight men, the ad stated, would be available for a whole day in the middle of the week. They offered to provide their own transportation, their own meals and to work for nothing.

Result: No takers.

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Speeding Invention

Washington's War Production Board has just established an office of technical development operating with an appropriation of $100 millions with which to finance and develop through early stages worthwhile inventions that will help war production.

Already in action is the Office of Scientific Research and Development which handles inventions of direct connection with the Army and Navy (e.g., guns, aircraft, etc.).

The new board will seek new sources of raw material supplies, especially synthetics; new transport developments; substitutes; simplification and standardization (as for ship hulls).

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Need More Babies

The British population is increasing. The birthrate is lower, but people are living longer. Those facts have just been revealed by an official U. K. statement. But unless the birthrate increases 25% in the next 30 years, the population will start an inevitable decline, it is reported.

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Canada's Posters Appraised

The advertising house of Young and Rubicam has published a pamphlet "How to make posters that will win the war." This pamphlet is the result of a careful survey made by Young and Rubicam for Washington's Office of Facts and Figures.

Here's how 33 Canadian posters stood up in this test. Only nine were classified as emotional, the only theme which the survey found to be effective. The other 24 were of a type which, according to the survey, had little effect. Twelve were symbolic, seven were factual and five were humorous.

That means 37% of Canada's war posters have been, on this test, good.

Here are the Young and Rubicam conclusions:

"War posters that make a purely emotional appeal are by far the best. In this study, such posters, definitely attracted the most attention and made the most favorable impression among men and women alike.

"War posters that are symbolic do not attract a great deal of attention, and they fail to arouse enthusiasm. Often they are misunderstood by those who see them.

"War posters that make straightforward, factual appeals are much less likely to be effective than those that make emotional appeals.

"Unlike humorous commercial posters, humorous war posters do not attract so much attention, nor do they make so popular an appeal as emotional or even factual war posters. Moreover, some people definitely dislike humorous war posters."

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Synthetic Liquor?

Whisky drinkers must be coming to the conclusion that this war is getting serious. Finance Minister Ilsley in his budget substantially boosted the price of their beverage, while Munitions Minister Howe this week announced that the government is arranging to take over a certain amount of distillery capacity for making a component of synthetic rubber. Stocks carried by the distillers are large and it will likely be some time before there will be synthetic liquor.

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No Staggering Problem

After several months' operation the staggered hours system appears to be working out well. In the first half of this year the Toronto Transportation System carried 19.7 million passengers more than a year ago, an increase of 21.1%. However, the system has taken that heavily increased load in smooth stride. Big factor in that smoothness is that 18 big employers are staggering working hours to even the peaks in carrying close to 20,000 workers to and from their jobs.

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Launches For Luxury

While many Canadians could well use more gasoline than the amount allowed them under the rationing system there is much evidence that quantities of gasoline are still being used for purposes less than essential. Holiday and week-end traffic still looks immense and summer resort lakes are still throbbing with the drone of "just cruising" speed boats.

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May Farm Worms

Silk production is a possibility for British Columbia, according to Men's Wear Merchandising. Cecil Ffrench, maker of animal remedies, has silk worms hatched in Victoria from eggs obtained from Washington, D.C., and from England, where silk is being woven from the product of worms cultivated there. Mr. Ffrench states several men are planning to start silk culture near Victoria with planting of mulberry trees to add to those already growing in that area.

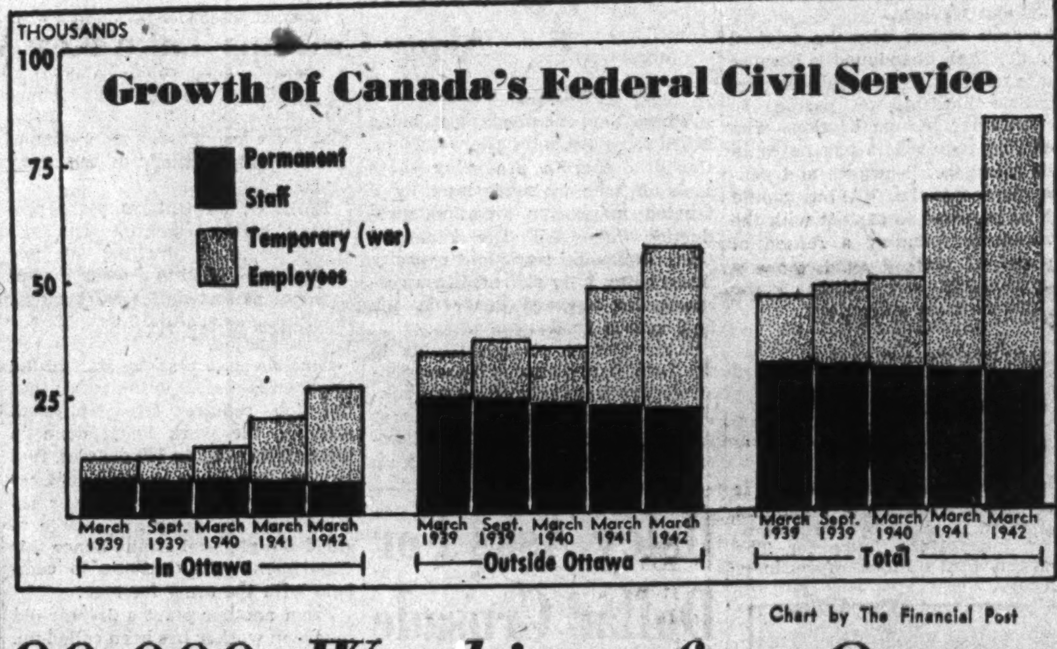

Chart by The Financial Post

90,000 Working for Ottawa

(Continued from page 1)

a prewar figure of 7,600 permanent workers and only 4,300 temporaries—a total of 11,800.

The civil service monthly payroll is now well over $15 millions compared with little more than $10 millions a month before the war.

Monthly figures on Canada's civil service payroll are compiled by the financial statistics branch of the Dominion Bureau of Statistics. Due to failure of some branches of government to make returns, no complete figures are available past Dec., 1941. However, estimates covering March, 1942, are available with the exception of a few departments. It is on the basis of the largely complete March, 1942, returns (in comparison with returns for earlier months and years) that The Post has projected the present totals of roughly 90,000 as the number presently employed.

Most in Defense

About 75% of the wartime increase is due directly to new war departments. Increase in the three defense services (civilian personnel) alone between Sept., 1939 and March, 1942, is 22,100, of which 14,700 is air force personnel; 5,000 the army and 2,400 the navy. Munitions and Supply reported 3,200 at the end of March; the Prices Board 1,500 and National War Services 800.

Peacetime bureaus which showed sharp increases in personnel were the Treasury department employing 4,200 compared with 1,100 in Sept., 1939; the Income Tax branch, which has risen from 1,300 to 2,400, and the Department of Trade and Commerce up 1,100 to over 3,300. The Unemployment Insurance Branch, which came into being in July, 1940, reported 1,360 employees at the end of March, 1942.

Personnel of what the government lists as "permanent" employees both in Ottawa and elsewhere has declined slightly since the outbreak of war. In Ottawa a permanent list of 7,564 in March, 1939, had dwindled to 7,229 by March, 1942. Permanent officials on duty elsewhere than Ottawa dropped from 24,600 in March, 1939, to 22,485 in March, 1942. The decline is of little significance against the overwhelming increase in "temporary" help, since almost certainly a considerable proportion of those now listed as "temporaries" will move into the "permanent" classification at the end of the war.

Highlights of comparative figures as at Sept., 1939, and March, 1942, together with a detailed analysis of the employment by departments as at the two dates is shown in the following tables:

	September, 1939 Number Employed	September, 1939 Monthly Payroll $	March, 1942 Number Employed	March, 1942 Monthly Payroll $
(A)—At Ottawa:				
Permanent	7,503	1,270,000	7,229	1,312,000
Temporary	4,444	428,000	19,306	1,940,000
	11,947	1,698,000	26,535	3,252,000
(B)—Elsewhere in Canada and abroad:				
Permanent	24,075	3,526,000	22,485	3,519,000
Temporary	12,544	925,000	34,163	3,437,000
	36,619	4,451,000	56,648	6,956,000
TOTAL	48,566	6,149,000	83,183	10,208,000
(C)—Non-enumerated: Classes*	.....	4,529,000	.....	4,530,000
		10,677,000		14,738,000

*See footnote below adjoining table.

DISTRIBUTION OF CANADA'S (FEDERAL) CIVIL SERVICE

	Number Sept., 1939	Number March, 1942†	Monthly Payroll March, 1942†
Agriculture	3,720	3,180*	$509,800‡
Archives	71	53	9,500
Auditor-General	234	350	54,900
Chief Electoral Off	239	38	3,700
Civil Service Comm.	11	453	44,700
External Affairs	201	371	67,800
Finance (main dept.)	213	303	40,600
Compt. cf Treas.	1,128	4,214	489,900
Royal Mint	126	186	23,800
Tariff Board	18	17	4,700
WPTB (prices)	2	1,533	210,700
Fisheries	636	332	48,200‡
Gov.-Gen'ls Sec'y.	12	12	2,600
House of Commons	406	531	74,800
Insurance	53	49	10,400
Int'l. Joint Comm.	6	8	2,000
Justice	1,111	1,048	149,100
Labor (main dept.)	173	204*	28,100
Unemployment Insur.	...	1,360	185,800‡
Dom. Unem. Relief	80	41	6,200
Nat. Relief Reg.	...	31	3,600
Library of Parl.	25	24	4,800
Mines & Resources:			
Depart. Admin.	69	87	11,700
Immigration	708	597	88,900‡
Indian Affairs	1,067	1,099	94,100
Lands, Parks, For.	609	581	74,100
Mines & Geology	442	452	84,300
Surveys; Engineering	417	551	69,900‡
Munitions & Supply	...	3,219	457,900
National Defense	1,399	22,212	2,203,400‡
Nat. Res. Council	242	854	123,300
Nat. Revenue (main dept.)	4,396	4,249	702,500
Income Tax	1,287	2,408	300,500
Nat. War Services	...	709	76,900
Film Board	...	49	8,400
Pensions, Nat. Health:			
Pensions	1,832	2,744	347,500
Can. Pen. Comm.	203	209	35,800
Health	287	323	81,100‡
War Approp.	...	44	8,700
Vet. Welfare Div.	28	51	8,200
Post Office	12,520	12,700*	*1,750,000‡
Privy Council	21	23	4,300
Public Printing, etc.	624	766	124,100
Public Works	4,230	4,858	412,900‡
R.C.M.P.	93	323	27,300‡
Sec'y. of State	357	426	69,200
Sup't. Bankruptcy	13	11	2,300
Senate	76	132	19,100
Soldiers' Sett. B'd.	7	255	43,200
Trade & Commerce	2,264	3,402	383,400
Transport (main dept.)	6,074	5,607	546,000‡
Transport Comm.	102	98	24,100
Total	48,566	83,200	$10,208,000‡

*Latest available. †Estimated.

‡Exclusive of following amounts paid to non-enumerated employees: agriculture, $25,000; fisheries, $22,600; unemployment insurance, $6,500; immigration, $200; surveys and engineering, $5,400; national defense, $267,100; health, $23,900; post office, $3,500,000; public works, $86,900; R.C.M.P., $371,100; transport, $220,200; totalling, $4,530,000.

To Be One Boss On Manpower?

(Continued from page 1)

ly (if at all) been convened since it was reconstituted last winter with Humphrey Mitchell as chairman, was reconvened to make a report on the whole matter.

The view of Hon. C. D. Howe as to the probable adverse effect on war production of the "big army" programme is well known. Within the past week he is reported to have reinforced his case with chapter and verse illustrations of the retarding influence which current recruiting and draft withdrawals are having on actual output in key plants.

Few Volunteers

Col. Ralston is reported as highly disturbed by the fact that voluntary enlistments last month showed a sharp curtailment from the high point of the two previous months. Is this trend indicative? Does it forecast the collapse of the volunteer system so far as the army is concerned? Apparently the army would like to think so; would like to add this telling statistical fact to anticipated failure of the draft system which is expected in August or September.

The case reported to have been made by Hon. Humphrey Mitchell and his departmental officials is that there can be no further successful operation of the present National Selective Service programme so long as the competitive scramble for men continues **outside** the authority of this branch of the department. At present, nearly 1,000 men a day are being withdrawn from the manpower pool by competitive voluntary recruiting agencies and by the draft machinery of National War Services Department—both of which agencies are outside the control of National Selective Service officials.

Two solutions are being pressed.

1. Defense and army authorities are said to claim that the only feasible solution is scrapping the voluntary system in its entirety and placing all manpower problems on a compulsory basis under one supreme manpower boss.

2. Selective service officials are reported as having an alternative proposal, namely the need for placing all draft and selection machinery under one department even if the voluntary recruiting scheme is retained and pending the ultimate introduction of the compulsory system.

(Introduction of broad compulsory powers would not necessarily mean that they would be all invoked. In England the Department of Labor and National Service has wide powers many of which have never been actually used.)

From a political point of view, unless a compromise can be reached short of alternative No. 1 (compulsory powers for the recruiting, selection and placement of all manpower) it seems inevitable that there will be a cabinet bust up. It is difficult if not impossible to see the present King cabinet accepting such a proposal in its entirety without resignations and even a complete change in government.

Much may depend on whether the conflict of opinion within the cabinet can be kept in check until parliament has adjourned. If this is done (and many observers feel it will be done) then there is a greater chance of Mr. King finding some new basis for compromise than if the whole business blows up while the rank and file are in session.

On balance, drastic and far-reaching changes in Canada's whole manpower mechanism seem inevitable within the next few weeks.

Dominion Stores Ltd. shareholders, after a seven-year lapse, will once again receive a dividend on their holdings. The company has declared a 10-cent dividend payable Aug. 20 to holders of record Aug. 5, the first disbursement since Jan., 1935.

Dependent upon operating conditions it is the official intention that this dividend will mark the start of a regular 10-cent quarterly dividend policy.

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HOLD HIGH THE TORCH OF FREEDOM

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A 140

Draft Reduces Arms Flow

(Continued from page 1)

stitute. If and when they find one, they do not expect the new employee will be able to equal the draftee's output. The army's gain of one man is costing industry the equivalent of 1½ to two men.

One big Toronto plant says that it is losing men at a "fast and furious" clip; some are replaceable, while it has to get along as best it can without the others. Another important war producer calls the present situation "terrible." Up to the last two or three weeks there was not a great deal of trouble in getting postponements for keymen, now there seems to be nothing but refusals.

For clerical workers postponement is practically hopeless.

Coming to a Head

While the manpower problem has already caused them plenty of worry, most war plant officials expect worse to come.

To try to meet the increasingly serious situation one important machinery producer has started a training programme for over 200 boys of 16 and 17 years of age which will allow them to be gradually brought into the shops. Another plant is considering bringing in a staff of doctors and having the whole employee roster examined. They would then go to the draft officials with the result of this examination, ask: "How many can we have?"

Divided Command

Out of the welter of confusion surrounding the lack of a comprehensive manpower programme emerges the fact that all the grim lessons the war has taught on the inadvisability of divided command have apparently not yet registered on our manpower front.

At present the National War Service Board decides on who goes to war, Elliott Little, director of National Selective Service, is supposed to decide who stays at work. Unity of direction over the two is lacking. Representatives of the director of National Selective Service have a right to appear before the various divisional National War Services Boards and make representations, but they are not members of the boards.

Ilsley Asks for Dollar Crusade

(Continued from page 1)

any information as to the size and timing of the next Victory loan.

Total sales of war savings certificates to June 30, 1942, he placed at $154 millions, of which $111 millions had been sold prior to Dec. 31, 1941. Against the $111 millions sold up to the end of last year and which were now eligible for redemption he stated that redemptions up to June 30 had totalled 7.8% or 8.7 millions.

Keynotes Education

Without minimizing the difficulties that lay ahead, Mr. Ilsley expressed his conviction that key to the success of the programme lay in an extensive educational campaign by thousands of people "in order to obtain the right frame of mind on the part of the men and women of Canada."

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Paton Mfg. ...	4½%	1956	Sept. 1	103
Gt. W. Sad'y ...	6%	1948	Sept. 1	105
East. Car	6%	1952	July 31	*
Ont. Pr. N. Falls .	5%	1943	Aug. 1	†
Northern Tel. ..	4%	ser.	Sept. 1	101½

$12,500. *$52,246. †Tenders for $125,000.

Oil Tankers to Get Dominion Subsidy

(Continued from page 1)

on domestic and imported goods—about $500,000 a week or $30 millions or more annually.

3. Underwriting of bulk purchasing, coffee, raisins, currants, cocoa bean, grapefruit juice, horsehair bristles, etc.)

4. Payment of subsidy to enable flour and feed mills to stay within the ceiling on and after Aug. 1, on a basis yet to be determined.

Estimated cost $5 to $10 millions.

No figure is available to estimate the amount which will be payable under the system of bulk purchasing, but it is believed that eventually this will become the most important feature of subsidy policy under the price ceiling.

It is expected that vegetable oils and tea will both be added to the list of bulk purchases in the not-too-far-distant future.

In total, and assuming that the payment of subsidies via the bulk purchasing route grow in amount and importance, the government would seem to be committed to something over $100 millions annually to maintain the price ceiling on the basis of present commitments and anticipated future claims.

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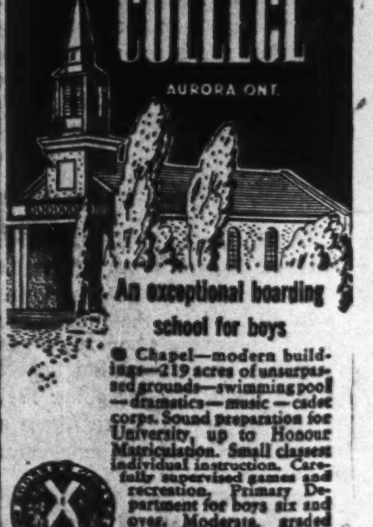

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London Calling

by Adelphi

LONDON.—Young Wing Commander Grant-Ferris has returned to London and we spent an enlightening hour together. As an M.P., who has been away for a year he was anxious to know what unreported things had been going on in London. As one who has been in London I was equally anxious to know what he saw in Malta and Kenya and Egypt where he was on special Air Force duties.

Grant-Ferris tells me that while nothing can detract from the bravery of the population in Malta, that its long defense has really been made possible by the fact that deep shelters have been provided for practically everyone. It is estimated that there is two square feet of safety for every person on the Island.

The damage of course has been extensive. There is not a cinema, left or a theatre, but the people carry on their activities between air raids and the actual loss of life is not as great as might be imagined. It seems unbelievable when one realizes that the Italian airplane base from which the Axis air force attack is only 60 miles away. According to Grant-Ferris, the popular hero of the siege is Air Commodore Lloyd who is in charge of the Air Force there. Lloyd is a remarkable man. He is utterly without personal fear, completely ruthless, a slave driver, but a born leader. When his pilots are tired he talks to them like a father. He will show them a picture of a beautiful Italian ship and then murmur to them that particular ship is out and what a beautiful target it would make. The populace have grasped the fact that here is a most unusual man. When he appears in the streets he is cheered to the echo. General Dobbie, the ex-Governor, is greatly respected but it is apparently Lloyd who has caught the imagination of the populace, and has become the personification of the Island's epic resistance.

On his way to Egypt Grant-Ferris stopped at Kenya. This has become the hideout of the unfortunate Prince Paul of Jugoslavia and his wife who is a sister of the Duchess of Kent. I met Prince Paul in London two or three times—sombre, good looking, a great lover of the English, educated at Oxford but possessed of a melancholy which no doubt helped to cloud his judgment and break his spirit when the crisis came. It would be difficult to imagine what country he could live in after the war. It is a safe guess that he will never return to Jugoslavia but it would be equally hard to imagine that Great Britain would give him asylum. Perhaps he will end up in Switzerland where it seems all the Nazis are now depositing their ill-gotten wealth.

* * *

Musings on Music

It was good to get away from reality and seek the sweet solace of music at the Albert Hall. Once more the "Proms" are upon, us and vast as the old hall is, it cannot accommodate the people who want to lose themselves in the magic of the strings, the melancholy of the wood wind and the pomposities of the brass.

It was an all-Russian night and after two hours of Tchaikovsky we settled down to hear the first London performance of Shostakovitch's Symphony No. 7 called "Leningrad." This is no musical cocktail. It lasts for ninety minutes and following the two hours of Tchaikovsky it left our senses somewhat numbed. Old Sir Henry Wood, who has been conducting the Proms for 48 years, kept himself in reserve for "Leningrad" and showed a scholarly and almost affectionate familiarity with its intricacies.

Shostakovitch wrote the work during his off hours as air warden during the great siege last year. Quite obviously he was determined to avoid the pattern of the "1812" and he was also determined to mix philosophy with realism. Never has any composer repeated himself with so little attempt to disguise the fact. When he portrays the gathering of the Russian armies he used about five chords followed by a soft rat-ta-ta-tat of the kettle drums over and over again until my companion said: "Of course the Russian Army is a big one so we must be patient."

When the composer wasn't repeating himself there was beauty and superb orchestration but I doubt if it is a work of genius. The Times music critic ended his account of it next morning with these words: "Probably there are many air raid wardens in this country who will prefer to think that the interpretation of this symphony is to be found in the number of things you have time to think of when watching out for incendiaries on a roof."

At any rate "Leningrad" is definitely Box Office. I only hope, however, that it will be played first on a programme, when the ear is eager and the senses receptive.

* * *

Public Relations

Meet Mr. Campbell Moodie. And who is Mr. Campbell Moodie? He is a 35-year-old Canadian and a young man who, I suggest, will go far. He has just been seconded from the Canadian forces to be public relations officer for Canada in London.

Mr. Moodie is tall, slim, dark-haired and has an attractive voice. In addition he is a bachelor which always suggests possibilities. He left McGill to go into the Bank of Montreal and was eventually sent to the New York office. He joined the army, rising to the rank of captain and now ventures into the complexities of public relationship.

He told me an interesting story. His father went to the Boer war with the Canadian contingent. He had a great friend with him, a Scot named Campbell. The night before Spion Kop they agreed that if ever they had sons the one would be named Campbell Moodie and the other Moodie Campbell and each would act as godfather to the other's boy. And so it came to pass. I have introduced you to Campbell Moodie and somewhere in the Scottish forces there is a Moodie Campbell.

I believe that Campbell Moodie will go far. He carries himself well. His mind is alert. He should be removed from the fleshpots of St. James Street finance and coached for diplomacy. He would be a perfect minister.

* * *

"Always Hated Work"

It is customary to regard North America as the continent of opportunity and Great Britain as the land where one must be born with a golden key to success yet the "poor boy makes good" legend is a persistent one over here.

The death of Sir Enoch Hill at 76 years of age ends a truly astonishing career. At eight years of age in Yorkshire Enoch Hill was earning a shilling a week as a half timer in a silk mill. He sold newspapers on the street, he became a printer's devil, a sports reporter, a farm laborer and ran a stationery shop.

At sixteen he could not write his own name, but he lived to be adviser to Barclays Bank, and managing director of the huge Halifax Building Society which was the pioneer of that vast and important movement. Recently he said: "I hate work. I've always hated work. I never had time to dream or play."

Fortunate man . . . How lucky is he who has too much to do. How dull is life to him who has his leisure. Yet the warm spring sun is shining on this manuscript as if to mock the very words I have written. How pleasant it would be to go to the country and sit outside the "Plough and Horse" with a mug of beer and chat with the Yokels about Russia. But there is always too much to do. Perhaps, after all, Sir Enoch was right.

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THE STORE FOR MEN — AIR-COOLED STREET FLOOR

This Week The Financial Post Asks

Should knighthoods and other honors be again made available (a) for Canadian service men, (b) for Civilians?

C. J. Allbon

Pictou Advocate, Pictou, N.S.

Meritorious service should be recognized and I would favor honors of some sort for Canadian service men. However, I am not prepared to say what form the honors should take. Canada can get along nicely without knighthoods which are not for the common people.

* * *

D. W. Clapperton

Calgary, Assistant Solicitor, Law Department, Canadian Pacific Railway.

It is a striking commentary on the state of Canadian public opinion that it should be agitated about this relatively unimportant matter at a time when our whole civilization is in peril and there is a serious social and economic crisis in our domestic affairs. However, Nero fiddled when Rome was burning and it is easier to follow precedents than to establish them.

I have never been able to see the objection to knighthoods or other titles which are not hereditary. No man should be permitted to live on inherited glory. We have titles in the army, navy, church and law—the ordinary "mister" is a title. These serve a useful purpose, if not as a mark of honor at least as a designation of rank. Even in a democracy rank is necessary, because as Dick Deadeye said: "When folks has to obey other folks' orders, equality is out of the question."

In this cow town we rejoice in the honor given to Viscount Bennett, although we still remember him with admiration and affection as "R.B."

* * *

Courtland Elliott

Economist, A. E. Ames & Company, Toronto.

I do not think the subject is important. If no invidious distinctions are set up by hereditary or unmerited titles I can see no objection to awards to worthy service men and civilians.

* * *

R. S. FitzRandolph

Department of Provincial Secretary, Fredericton, N.B.

It is only proper that a nation should recognize and acknowledge the distinguished service of a citizen to his fellow citizens. I have always favored the granting of knighthoods and other honors to those who have rendered outstanding service to their country or fellow citizens whether in war or peace. I can think of no better way to recognize such service than by granting appropriate honors to the various orders of chivalry by the King.

The purchase of honors should be made impossible.

* * *

C. H. Hale

Editor, Orillia Packet and Times, Orillia.

I have never approved of the plebeian snobbishness that has robbed Canadians of the privilege of accepting honors conferred by the King. As long as the honors are not hereditary they are a most appropriate method of marking distinguished public service. In wartime it is particularly invidious that Canadians in the King's forces should not be allowed to receive honors from His Majesty on the same basis as their comrades from Great Britain and the other Dominions and colonies.

Canada is a British country under a limited monarchy, and royal honors are as natural and legitimate a feature of our political system as academic honors conferred by universities. In addition they often afford much more appropriate recognition than the degree of Doctor of Laws.

* * *

Edward A. Horton

Director of Textiles and Clothing, Wartime Prices and Trade Board, Toronto.

Apart from knighthoods and other titular honors I see no reason why Canadians, both civilian and military, should not be honored by the British or any other government in recognition of meritorious or heroic services. I believe that most Canadians are willing to have such services recognized but sentiment is adamantly opposed to any practice which, in effect, might tend to create a preferred or privileged group in the community.

* * *

R. P. MacLean

Editor, Kelowna Courier, Kelowna, B.C., vice-president Canadian Weekly Newspaper Association.

Definitely no. We are getting along well enough without them and such a proposal would be slipping backward. The whole trend throughout the world in recent years has been to abandon titles.

If some reward for service is necessary, find some other way but let's not go back to titles. Broadly speaking they have been more indicative of party rather than national service anyway and, as far as the rank and file of Canadians are concerned, mean nothing.

* * *

F. Marcotte

Banque Canadienne Nationale, Montréal.

Personally, I do not favor knighthoods for Canadians.

* * *

M. E. Nichols

Editor, Vancouver Province, Vancouver.

Without prejudice to my conviction that nothing should be done to imply impairment of the ties that bind Canada, Great Britain and the Empire, I am of the opinion that knighthoods should not be available for either Canadian service men or civilians. Honors, as now established, should be available to service men but only to those who earn them. This question deserves careful study directed toward setting up a merit system administered by a tribunal in which political or social influence will not be permitted to operate.

* * *

S. Morgan Powell

Managing Editor, Montreal Daily Star, Montreal.

Knighthoods and other honors should be made available for Canadian service men. They are honors bestowed by His Majesty the King for exceptional services rendered in time of war and it seems very unfair that they cannot be obtained because of a resolution in Parliament which may have expressed the will of the people at the time it was passed but may not express their present wishes.

A Canadian in our fighting services may now be discriminated against in receiving an honor from his King which he has won in his country's service while his fellow British citizens outside Canada may receive such honors.

The abolition of this discrimination by amending the Nickle resolution would not involve any question of hereditary titles and therefore I cannot see any reason why a change should not be made so far as Canadian service men are concerned. As for civilians, the will of the people as expressed by its representatives in Parliament may well be a fitting guide at any time.

* * *

S. Smith

News Editor, Huntingdon Gleaner, Huntingdon, Que.

It is perfectly all right for titles to be conferred on Canadian service men to reward bravery and courage and place them on a par with their comrades in the other British forces.

I do not think that such titles should be allowed to pass down from father to son; they should be earned and be conferred for some merit and not just handed out on recommendation without investigation.

Civilians could be handled along the same lines. The bestowals should be free from any political influence and the titles should die with the person.

* * *

John A. Tory

Director, Sun Life Assurance Company, Toronto.

I have always believed that knighthoods should be bestowed upon Canadians who have rendered great services, either military or civilian, to Canada or the Empire. I oppose purely political honors or those that have been purchased. There is no place in Canada for hereditary titles; any such titles should cease with the death of the holder.

* * *

Alex. Walker

President, Canadian Legion of the British Empire Service League, Ottawa.

The answer to your question "A" is yes, but only if adequately regulated. Veterans of the last war still refer to some awards as handouts sent up with rations. Honors, apart from valor awards, should be given only after outstanding service in the field or for a long, distinguished military career.

To question "B" the answer is also yes, but only provided complete details of civilian cases be first investigated and recommended by an impartial national awards board and provided adequate steps are taken to prevent partisan abuses. To deny honors to Canadians is an admission that we cannot trust ourselves to award them honorably. The average ex-service man, however, is more interested in the vital question of introduction of total war policy including compulsory selective service to fight wherever the enemy is.

Textile Mills Cut Scale of Operations

From Our Own Correspondent

MONTREAL.—Canadian cotton textile mill operations, judged by the number of bales of cotton opened, recorded a moderate decline in June. In all 40,690 bales were opened, against 43,721 in June last year.

Slowing up of operations last month is attributed to difficulties in obtaining and retaining labor; partial or complete observance of two holidays and a seasonal recession from the high rates of operations prevailing in the first five months of this year.

LET'S TALK IT OVER

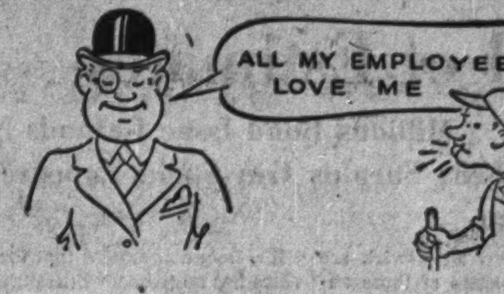
Actually what can a bank do for you? Loan you money, of course—and we welcome every available opportunity to advance money to credit-worthy men and women, of character and ability. But we render many other services which may be equally or more valuable to you.

Whatever your requirements, the best way to determine how much we can help you is to drop in for a talk with any of our officers or local manager. You are assured of a cordial reception and an attentive hearing.

THE BANK OF TORONTO

Incorporated 1855

12-42


ALL MY EMPLOYEES LOVE ME

WE HOPE THEY DO

You would be the last person to hear about it, if they didn't. Labor is doing a continuous promotion job in its interests. You can do the same for your side of the story in an employee magazine. Dozens of Canadian industrialists are doing it.

Somerville Limited has a staff of men trained in the use of house magazines and other devices for building industrial harmony. They will be glad to show what they can do for you.

Write for a copy of the Somerville Link Employee Magazine Dept.

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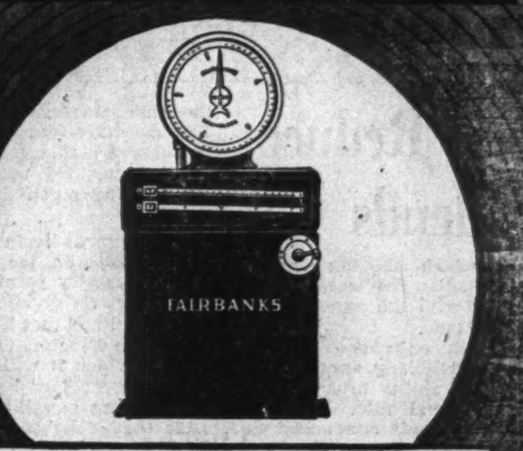
FAIRBANKS SCALES



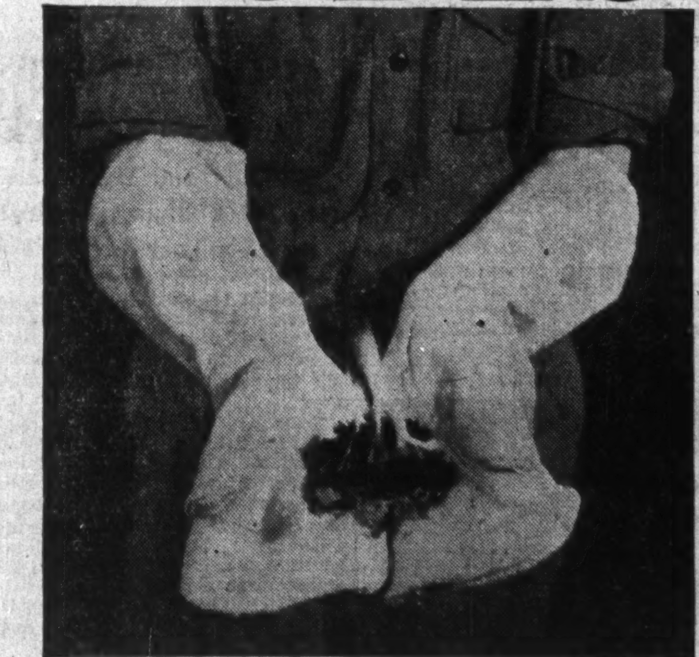
There's a sturdy, dependable Fairbanks Scale for every construction and industrial service . . . contractor's portable scales, belt conveyor scales, motor truck scales, Printomatic Recording Scales, Track Scales. Fairbanks Scales are built in Canada with the experience of well over 100 years of scale design and manufacture behind them. 150

The CANADIAN Fairbanks-Morse COMPANY Limited
HALIFAX SAINT JOHN QUEBEC MONTREAL OTTAWA TORONTO HAMILTON WINDSOR
FORT WILLIAM WINNIPEG REGINA CALGARY EDMONTON VANCOUVER VICTORIA

FACTORY: SHERBROOKE, QUE.

ASBESTOS

from the World's Largest Asbestos Mine . . . at Asbestos, Que.



With asbestos gloves, you can handle live coals as nonchalantly as ice cubes!

Canadian asbestos protects naval firefighters, as shown in this "shot" from the current motion picture, "Ships with Wings".

The Canadian Johns-Manville mill, at Asbestos, Que., comprises the largest group of asbestos mill buildings in Canada.

Blasting at the J-M mine. After the blast, the broken rock is loaded on railroad cars and hauled from the pit to the mill.

For Over 1,000 JOHNS-MANVILLE Products

- Ack-Ack guns and asbestos . . . *both* are weapons of war. Today, the fireproof "Magic Mineral" of peacetime is used in many vital ways in tanks, ships and submarines—and in the form of flameproof clothing for army, navy, air force and A.R.P. firefighters. Johns-Manville, alone, makes available over 1,000 different products which directly and indirectly serve the war effort. That explains why, at Asbestos, Que., in the J-M factory and mine—the largest asbestos mine in the world—over 1,500 Canadian workers are busy night and day, week in and week out. War orders come first, of course, but if you have a plant building, expansion or modernization problem, it will pay you to get in touch with your nearest Johns-Manville office.

QUEBEC
ASBESTOS
MONTREAL

CANADIAN JOHNS-MANVILLE CO. LIMITED

Mine and Factory at Asbestos, Que.

MONTREAL TORONTO WINNIPEG VANCOUVER

BT-3

JOHNS-MANVILLE JM PRODUCTS

CANADIAN JOHNS-MANVILLE

• J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

New Brunswick Income Ahead of Estimates

New $3¼ Millions Bond Issue Refunds New York Loan; Surplus Can Stand Expense of Premium

Revenues of New Brunswick are considerably in excess of those anticipated and despite an expenditure of $357,500 in connection with a new refunding bond issue, the province will be able to show a "most satisfactory" current surplus for the year ending Oct. 31, 1942, according to Hon. J. J. Hayes Doone, provincial secretary-treasurer. For the current fiscal year a surplus of $111,000 had been budgeted for and expenditures are being kept within budgeted figures.

The new bond issue is a $3¼ millions 3¾% 12-year loan maturing Aug. 1, 1954, and being offered at par by a syndicate headed by Midland Securities Ltd.

Solely For Refunding

The offering is solely for refunding, meeting a 3¼% maturity of similar amount due Aug. 16, 1942, sold in 1937. The maturing issue is payable in New York funds whereas the refunding loan is Canadian pay only. Return of this loan to Canada means payment by the province of the 11% premium on New York funds, a total of $357,500. This expenditure, which was not provided for in the budget, is being met out of current revenue.

Capital expenditures by the province this year are being kept to a minimum, according to Mr. Doone, and are being made only for essential purposes, such as bridges, etc. Such expenditures will not likely exceed $750,000.

Mr. Doone also notes that the province has no treasury bills outstanding at the present time.

Makes Debt Reductions

During the past two years New Brunswick has been able to make appreciable reductions in its total of funded debt outstanding. At Oct. 31, 1939, the province's net debt amounted to $85.9 millions, this figure being reduced to $85.5 millions during this fiscal year with a further $807,000 reduction made last year to bring net debt outstanding at Oct. 31, 1941, to $84.7 millions.

In the 1941 fiscal year New Brunswick had ordinary revenue of $10.9 millions against expenditures of $10 millions, for an ordinary surplus of $901,000. For the current year ending Oct. 31, 1942, the budget estimated revenues at $10.8 millions and expenditures at $10.7 millions for a surplus of $111,000. This anticipated decline in surplus was in line with the general expectations of other Canadian provinces. As already stated, revenues are running well ahead of estimates while expenditures are being held down.

Members of the syndicate offering the refunding bond issue are: Midland Securities Ltd., Gairdner & Co., Dyment, Anderson & Co., W. C. Pitfield & Co., L. G. Beaubien & Co., Burns Bros. & Denton Ltd., R. A. Daly Co., Bartlett, Cayley & Co., A. M. Ramsay & Co., Fairclough & Co.

Banks Reduce Dividends

Way in which new tax schedules hit the Canadian chartered banks is made clear with the announcement of dividend cuts.

At present only one chartered bank has specifically announced its intention and ability to maintain its present dividend rate. All others have either already announced cuts, have intimated that coming announcements will bring lower dividends or have not yet finally determined what action will be taken.

First to make official announcements of actual dividend reductions were the Bank of Montreal and the Royal Bank of Canada. These two banks have been paying at the annual rate of $8. They will make another $2 quarterly payment on Sept. 1 to shareholders of record July 31, but the final payment this year, due Dec. 1, will establish a $6 annual rate. Establishment of a $6 annual rate by the Bank of Montreal means the lowest dividend paid by this bank since 1851 and for the Royal Bank it is necessary to go back to 1890 to find this rate duplicated.

Other banks which have intimated that dividend reductions are to be expected are Banque Canadienne Nationale, Imperial Bank and Canadian Bank of Commerce. What action the Dominion Bank and Bank of Nova Scotia may take is not yet known.

Bank of Toronto is going to maintain its current rate of 10% annually. A statement from this bank points out that its average earnings, including recoveries, in the base period of 1936 to 1939 inclusive, provided a base which, with present earnings, permits maintenance of the present 10% rate. It is also pointed out that this 10% rate is equivalent to only 3.24% on the total of shareholders' funds which include capital, rest and profit and loss surplus funds.

In commenting on the announced dividend cut, Huntly R. Drummond, president of the Bank of Montreal, stated that while earnings of the bank this year are approximately the same, increased taxes will take a large share and leave a smaller portion available for shareholders. It is understood that other banks are meeting much the same set of conditions.

A statement from the Bank of Nova Scotia on the subject of its dividend policy points out that the next quarterly dividend will be payable Oct. 1 and that it will, of course, be for the directors to determine the rate at which it will be paid when the matter comes before them the end of next month. The statement adds that a considerably increased percentage of earnings of the bank will be absorbed by increased taxes which reduces the amount available for distribution to shareholders as in the case of banks which have already announced reductions in dividend rates.

Canadian Products Aid Steel Maker

Chromium Mining and Smelting Evolves Valuable Addition Agents

Developed in Canada, Chromium Mining & Smelting Corp. is now marketing commercially two addition agents of importance in turning out high-grade iron and steel products.

High carbon "Chrom-X," one of these products, is an exothermic ferro-chrome which generates enough heat by itself when added to molten iron or steel that molten high carbon ferrochromium results.

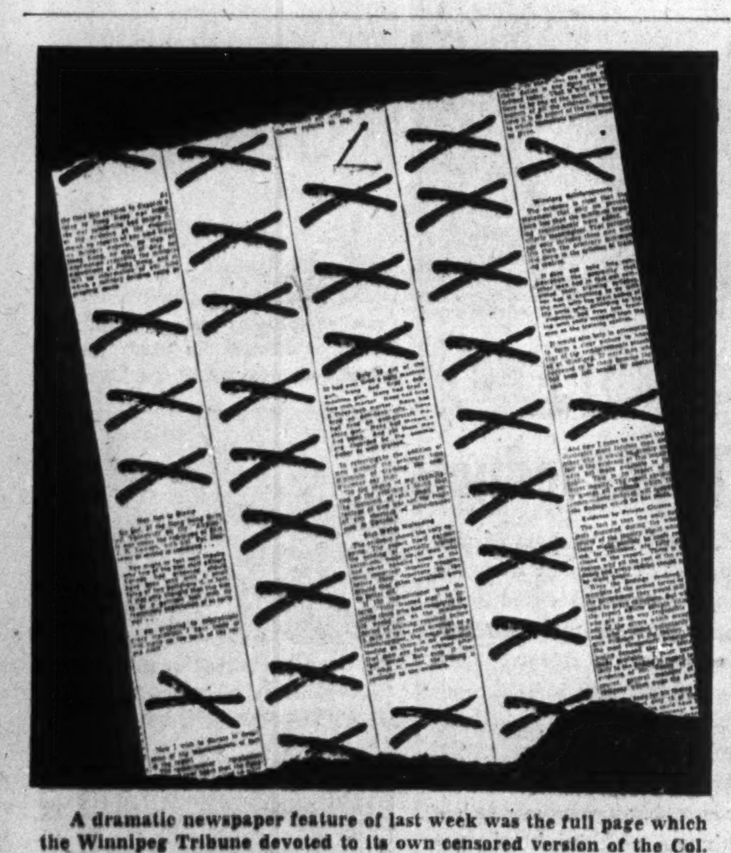
"Chrom-X" Advantages

Use of "Chrom-X" is stated to give these advantages among others:

Decreased furnace time; no need for weighing or analyzing; no chilling of the metal "bath," and no change in equipment or regular practice.

"Sil-X" the other trade product developed is an exothermic ferrosilicon which gives out enough heat when added to molten iron or steel to supply molten ferrosilicon.

Turning out of exceptionally clean open hearth steel is now being made through the use of "Sil-X."



A dramatic newspaper feature of last week was the full page which the Winnipeg Tribune devoted to its own censored version of the Col. George Drew letter. Prohibited by the press censors to use the full letter, the Tribune published parts, leaving glaring crosses where it had deleted material. Herewith The Financial Post reproduces a glimpse of the page.

The Bondholder

Canadian Vickers 6% bonds were one of the strongest spots of the market during the past week, registering a gain of two points to around 99 bid. Reason was the long-awaited announcement by the company that it will pay two coupons on Aug. 1. This follows a three-year lapse of bond interest payments, bondholders having agreed to a suspension of payments from Aug. 1, 1939, to Feb. 1, 1942. Since that time Canadian Vickers has materially improved its position both as to earnings and working capital. This improvement has justified a bond interest payment at this time. Market price for the bonds has kept pace with the bettered financial position, the current market being some 10 points higher than quotes around the first of the year.

* * *

New Brunswick's $3¼ millions 12-year bond issue announced this week will not affect the outstanding total of the province's debt, since it refunds a similar amount of 3¼'s maturing Aug. 16. However, interest on the new loan is payable in Canada which will mean a saving on the exchange bill.

* * *

High-grade bond prices and their outlook is a subject for periodic discussion. Brookmire Economic Service currently has this to say on the situation:

"The long bull market in high quality bonds is evidently over; and at the prevailing abnormal levels in relation to past periods, they are more vulnerable to depressing influences. In past years, interest rates had been held down by the superabundance of funds in relation to demand, and by the government's easy money policy; now, the war-accentuated demand for capital is tending to produce a stiffening of interest rates that has already become apparent in short-term paper."

To guard against possible capital depreciation in funds invested in high grade bonds, this service suggests placing funds in war savings bonds.

* * *

War savings certificates sales to June 30 amounted to $154,242,804, according to Hon. J. L. Ilsley, Minister of Finance. Certificates may be redeemed after six months. This required period had elapsed on sales to Dec. 31, 1941, which totalled $110.9 millions, and redemptions to that date were $8.7 millions or 7.8% of the total.

Ottawa Defines Strategic Metals

By STAFF WRITER

OTTAWA.—Income tax provisions in the budget make certain allowances where the income of any company is derived from "the production of base metals or strategic minerals."

What are the strategic minerals?

According to an official of the Metals Control Office the list would be something like this:

(a) non-ferrous primary metals: tin, copper, aluminum, magnesium, zinc, cadmium, lead, nickel.

(b) other strategic minerals: vanadium, tungsten, molybdenum, chromite, manganese, cobalt.

B. C. Power Earns More on 'A' Stock

Returns for Half Year $1.31 a Share, Against $1.14 a Year Ago

From Our Own Correspondent

MONTREAL.—British Columbia Power Corp.'s income for the first half of 1942 records a definite improvement in respect to profit available for distribution on the class A stock.

Gross income for the half year at just under $10.4 millions, showed an increase of $1.4 millions over the like period a year ago. Expenses were somewhat higher, but bond interest and deferred dividends were lower, leaving $1.3 millions for the class A stock or $163,605 greater than a year ago. This balance works out to $1.31 for class A shares, as against $1.4 a share a year ago.

June	1942 $	1941 $
Gross earnings	1,691,003	1,452,160
Less: Expenses	1,351,143	1,159,051
Bond int. & pf. divd.	185,180	186,666
Bal. for A stk. divd. ..	154,680	106,443
Six Months Ending June 30		
Gross earnings	10,387,678	8,986,396
Less: Expenses	7,962,778	6,717,477
Bond int. & pf. divd.	1,114,371	1,121,995
Bal. for A stk. divd. ..	1,310,529	1,146,924

C.N.R. Payroll Average at Peak

From Our Own Correspondent

MONTREAL. — Canadian National Railways paid a higher average wage to its employees in 1941 than for any other year since the system was established in 1923. A total of 89,536 employees received an aggregate pay of $153.6 millions, or an average of $1,716 per worker.

The previous high was recorded in 1929 when 109,096 employees were paid $173.1 millions, an average of slightly under $1,600 per worker.

Newfoundland Budgets For Smaller Surplus

With a substantial decline anticipated in customs revenues for the current fiscal year the Newfoundland Commission of Government has budgeted for a surplus of a little over $1 million as compared with the 1941-42 record of $7.2 millions.

Comparative results are:

	*1942 43 $	1941-42 $
Revenue	18,744,100	23,294,300
Expenditures	17,722,300	16,083,000
Surplus	1,021,800	7,211,300

*Estimated.

Hon. Ira Wild, Commissioner for Finance, in presenting the budget stated that although it is possible that work on defense projects in Newfoundland may not be maintained at the present level and circumstances may arise to make it more difficult for the fisheries and pulp and paper industries to market their products, continuation of full employment for some time to come can be anticipated. The biggest problem will be in maintaining supply of goods.

Shortages a Problem

This shortage coupled with the lack of shipping is seen as 1942's major problem and one that will have a direct influence on customs revenue, the island's main source of income. Accordingly, the forecast for this item is $12.8 millions compared with last year's receipts of $16.8* millions.

On the expenditure side the government is setting aside a third installment of $100,000 for the redemption of war savings certificates. Department of Education costs are up almost half a million at $2.1 millions, due to war bonus payments and institution of a compulsory education system.

To Build Boats

A new service is provided in total which matures July 1, 1943.

of $500,000 for construction of ten wooden motor vessels of about 300 tons each. These will be used to supplement the available shipping facilities, and after the war will be capable of adaptation for use in the fishery.

Tax changes in the budget are few. Only increase was the elimination of the distinction between the duty on pipe and cigarette tobacco by putting both at the higher rate. Only reduction is elimination of the war revenue tax of 7½% on marine engines. Some relief is provided in respect of excess profits tax for companies incorporated since 1940 or others which have added to their share capital since that time.

Change Year-end

The Newfoundland fiscal year henceforth will end March 31 rather than June 30. Experience is said to have proved the unsuitability in Newfoundland of a financial year beginning July 1 when government activity on roads, agriculture, buildings and other public works is approaching its peak. It is believed the change will allow a greater use of the island's short open season. The estimated figures for the current year, however, are on a 12-month basis.

From proceeds of investment in war/savings certificates a total of $700,000 has ben forwarded to the United Kingdom in the form of a non-interest bearing loan. This leaves $144,800 on hand which will also go forward.

It is proposed shortly to offer a new government loan to a maximum total of $1.5 million with terms to be announced later. Proceeds of the loan will go toward repayment of the £377,890 5% sterling loan

Montreal Plan Makes Progress

Scheme for Refunding Civic Debt Nearing Agreement

From Our Own Correspondent

MONTREAL.—Decision on a plan for placing the City of Montreal on a sound financial footing is expected to be reached before the end of the month.

Almost two years ago, the Quebec Municipal Commission brought forward a plan for $250 millions refinancing of the city's funded and frozen bank debt.

Principal features of the scheme were a reduction of the average interest rate from 4½% to 4%, estimated to mean an annual saving of approximately $1.3 millions; orderly liquidation of the municipal indebtedness over a 35-year period, and "adequate and effective" financial control of the city's finances.

Question of Control

The latter feature has been a stumbling block in securing approval of Montreal's executive committee. However, it is now understood the city executive committee has unofficially agreed in principle to approve the method, if it is acceptable to the creditors.

More or less along the lines of the original proposal, the plan is said to envisage financial control by a three man Bureau of the Budget, consisting of a director of the budget, named by the creditors, chairman of the executive committee, and the city's director of departments who would be subject to removal by city council "for cause."

Says Paper Waste Not Burned Here

American Centres Recently Made Bonfires of Surplus Newsprint

Salvage organizations have collected such large quantities of old newspapers that there's enough of a surplus on hand to last for some time, according to C. V. Hodder, wastepaper administrator.

However, a great need still exists for other types of paper and for cardboard. A circular has gone out to salvage committees suggesting that housewives be urged to use newspapers for household purposes, but to save every bit of brown wrapping paper, other types of wrappings, paper boxes, bags and so forth. Corrugated paper is wanted particularly, as a lot now has to be imported from the United States.

Mr. Hodder says that so far as he has been able to ascertain, there is no foundation for stories that tons of old newspapers have been burned in Canada because the material could not be used. Recently, this was done in several American cities. Newspaper waste is difficult to store, as exposure to weather causes it to flake and disintegrate.

Loss is Slight

There have been some reports about wastepaper being left outside and allowed to deteriorate.

Mr. Hodder says that, outside of old newspapers, deterioration in wastepaper is slight, running only about 1% a year where tarpaulins are used. It is cheaper to take this loss than to build permanent storage shelters, especially under wartime conditions.

The current newspaper surplus is partly seasonal. Newspaper waste collections increase before people go on their holidays, fall off through the summer.

Asbestos Corp.'s sales for the current year to date are reported as slightly better than in the like period a year ago. Prospects for the full year indicate a fair improvement. At least 75% of production is now going directly and indirectly for war purposes. Indications are earnings will be more than sufficient to cover the present rate of dividends.

Vickers To Pay Two Coupons

Payment of Interest on Bonds Will Equal $71.94 for Each $1,000

From Our Own Correspondent

MONTREAL.—Canadian Vickers Ltd. will pay on August 1 next two coupons on the series A 6% first mortgage bonds.

One interest coupon to be paid is that dated Aug. 1, 1942. The other is dated Aug. 1, 1939, payment of which was postponed for a period of three years, in accordance with an agreement between the company and its bondholders.

Pay Premium on Interest

The issue being payable in Canadian or U. S. funds, the Aug. 1 interest payments will be made in the Canadian equivalent of New York funds. Taking this into consideration, together with interest on the arrears of interest, the payment works out at $71.94 per $1,000 bonds.

Cost to the company in making this payment will be approximately $180,300, made up of $150,390 in deferred interest, $13,535 interest on arrears of interest, a total of $163,925, to which is added $16,392 for New York funds, making a total disbursement of $180,317 in Canadian funds.

The Shareholder

Upward stock market moves lasting almost without interruption for three months begin to be subject to correction when they reach important proportions. Reasoning on this basis, investors might expect a testing of the strength of the current move although such an event is not essential. Most favorable from the standpoint of an eventual further rise would be a period of perhaps another month without important fluctuation in either direction or a recession taking prices near to but not below the late April lows.

Reasonable possibility that one of these alternative and constructive events may occur suggests that investors need be in no hurry to bid for stocks on the basis that more attractive price levels may be expected before long.

* * *

Investment features in The Post this week include surveys of the steel and machinery companies, both war-stimulated groups. Their investment experience has been reasonably favorable although in no way reflecting the extent of the gain in rate of activities that has taken place in these industries. How the performance of these two groups, which are analyzed at length, compares with those of other investment groups can be judged from the comparison of wartime security action

* * *

Brazil's trouble disposing of coffee stocks holds a potential threat of return of foreign exchange supply problems in that country. Indirectly they may affect Brazilian Traction. Coffee is Brazil's biggest cash export with far the largest proportion going to the United States. Shipping shortages are causing Brazil's coffee to pile up, bringing financial problems.

A solution will likely be found, probably through financial aid from the United States in one way or another. While coffee stocks are piling up in Brazil, shortages are developing in the United States and Canada. It is the old story of shipping difficulties once more.

Bond Tenders

5 p.m., Aug. 3, Granby, P.Q.—$10,000, 3½% or 4%, dated July 1, 1942, redeemable serially from July 1, 1943 to 1962. A. Montfils, sec.-treas.

5 p.m., Aug. 3, Cap-de-la-Madeleine, P.Q.—$118,700, 3½% or 4%, dated Aug. 1, 1942, redeemable serially from Aug. 1, 1943 to 1962. F. Beaumier, clerk.

8 p.m., Aug. 10, Ste-Anne de Bellevue, P.Q.—$36,000, 4%, dated July 15, 1942, maturing in series from July 15, 1943 to 1962. Emile Robillard, sec.-treas.

Save Now and Benefit Later

Every extra dollar you save to invest in more Victory Bonds accomplishes two vital objectives.

It helps to provide money that Canada so urgently requires for war purposes. It will also build up for you an after-the-war reserve.

We will gladly fill your order for Victory Bonds. Write or telephone.

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Telephone: ELgin 4321

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Market Opinions

In the face of lack of new developments this week, stock market comment points to need of consolidating gains with continued stress on a fundamentally favorable position.

Barron's, N. Y. (The Trader).—At the high of last week industrial stocks had rebounded 16 points from the low of April 28. A rise to the highest level in five months took place in the face of bad war news. A fortnight ago witnessed the sharpest upturn of the 12-week upswing. It has been followed by dullness and sagging prices, indicating the apparent need of a breathing spell for a fresh survey of the outlook. Speculative profits accrue more rapidly from buying on weakness than on strength. Notwithstanding the lack of vigor in the market at the moment, its fundamental character has not changed, inasmuch as high yields and low price-earnings ratios have largely discounted the depressing and uncertain factors.

* * *

Brookmire Counsellor, N.Y.—Extent of the advance in stock prices during recent months demonstrates responsiveness to good news on the part of a market that has been low at a time when fundamental forces are extensive and inflationary. Hence if war news should become darker in the period ahead, due weight should also be given to the supporting factors. While a cash reserve should still be held back as a hedge against war imponderables, it is important that any changes among individual stocks continue to favor dynamic companies and especially those stimulated by inflationary and armament influences.

* * *

Barron's, N. Y. (The Dow Theorist)—The advance is now in its 12th week which compares with general expectations for such movements ranging from three weeks to three months or more. The retracement of the previous decline amounts to 43% in the industrials and to 33% in the rails. These figures compare with generally expected retracements ranging from one third to two thirds or more. The primary trend is still regarded as down under the Dow theory, although it may have turned up at the end of April, in which case a recognizable signal is likely to appear within a period of months.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	60.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.6	64.3	87.7	68.1	62.8
1942: Weekly Figures:												
July 2 ..	75.2	59.1	68.8	43.3	103.7	72.4	92.4	75.7	62.9	87.4	65.8	61.2
July 9 ..	77.8	59.9	69.8	47.4	102.3	76.4	95.3	76.3	65.3	85.8	68.7	63.6
July 16 ..	77.1	59.5	66.5	46.5	101.8	75.4	95.2	75.7	64.3	84.9	67.0	62.4

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
July 21	85.03	62.85	60.20	16.12
July 20	84.95	62.66	59.90	16.13
July 18	84.79	62.86	59.85	16.05
July 17	84.96	62.73	60.07	16.16
July 16	84.95	63.01	60.22	16.12
July 15	85.19	62.84	60.55	16.07
Month ago.	86.93	68.79	62.93	16.49
Year ago ..	92.14	102.22	66.02	19.25
High 1942 .	93.50	83.71	71.01	18.86
Low 1942 .	79.85	61.04	59.69	15.99

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
July 21 ...	43.2	55.4	51.3	52.74	39.79
July 20 ...	43.1	55.2	51.2	53.12	39.83
July 18 ...	43.1	55.2	51.2	53.14	40.00
July 17 ...	43.2	55.5	51.4	53.06	40.00
July 16 ...	43.5	55.6	51.5	53.82	40.72
July 15 ...	43.4	56.0	51.8	54.59	40.62
Month ago	43.9	57.3	52.8	59.71	44.65
Year ago .	45.6	58.7	54.3	69.84	71.25
High 1942	44.8	60.5	54.7	77.18	54.82
Low 1942	39.6	55.0	50.0	52.74	36.94

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Village of Swansea, Ont.	July	F. L. Craig	3½% 3½%	10-yr. 5-yr.	$19,871 724	101.87	.....
Charlottetown, P.E.I.	July	T. M. Bell & Co., and F. J. Brennan & Co.	4%	1962	129,000	*101.75	3.875%
Dominion—							
Canada Treasury Bills	July	....	....	Oct. 16, '42	45,000,000	99.867	.535%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Purity Dairy	July	R. A. Daly & Co.	5%	1943-56	$140,000	.....	.....
Sisters de la Misericorde, Montreal†	July	Credit Interprovincial	3½%	1-20 yr.	500,000	99.06	.....
Arts and Trade School†	July	Credit Interprovincial	3½%	1-20 yr.	129,800	.....	.....

*Offering price.
†Fully subsidized by Prov. of Quebec.

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Current Trend

In many instances men formerly available to estates on questions of investments, taxation or real estate are being drawn into the war effort: on the other hand the difficulties of property management continue to increase. If you have estate problems this trust company, with its trained personnel and wide experience, can give you invaluable assistance. Why not consult our Officers today?

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Sisters of Providence Bonds Offered at Par

From Our Own Correspondent

MONTREAL. — Paul Gonthier & Co. is making a public offering of $200,000 of 3½% serial bonds, maturing 1943 to 1952, of the Sisters of Providence, at 100 and accrued interest.

This issue is being sold to refund an issue of $400,000 of 4½% serial bonds of the same religious order called for redemption on Oct. 1 next at par. The difference is being met in cash by the Sisters of Providence.

The issue is secured by the first mortgage on the Order's new hospital property in Three Rivers, valued at $700,000.

THE ONTARIO MUNICIPAL BOARD

NOTICE IS HEREBY GIVEN that the Municipality of the Town of Haileybury has become subject to the provisions of Part III of "The Department of Municipal Affairs Act," (R.S.O. 1937, C. 59), by an Order of The Ontario Municipal Board bearing the date twenty-ninth day of June, A.D. 1942, and from and after the first publication of this NOTICE in the "Ontario Gazette," all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

DATED this 30th day of June, A.D. 1942.

M. B. SANDERSON,
Acting Secretary of the Ontario Municipal Board.

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WARNING: Applications will not be considered from persons in the employment of any firm, corporation or other employer engaged in the production of munitions, war equipment or supplies for the armed forces unless such employee is not actually employed in his usual trade or occupation.

B.C. Pays Off Its Bank Debt

$4 Millions Payment Wipes Clean Province's 26-Year Old Slate

From Our Own Correspondent

VANCOUVER.—For the first time in 26 years British Columbia is free of bank debt with the payment of $4 millions to the Canadian Bank of Commerce this week.

Premier Hart's act was the culmination of a financial policy which he, as finance minister, has followed since taking office in 1933 when the amount due the bank was $5.3 millions. At that time, owing to the unfinanced deficits amounting to $7.4 millions and other reasons, it was difficult to obtain further loans.

Gross and net debt of the province has been substantially reduced and large savings in interest have resulted. Significance of the two payments lies in the effect on the province's debt.

The gross debt on Mar. 31, 1942, amounted to $165.5 millions and showed a reduction of $26.6 millions during the preceding 12 months. Since March 31, pursuant to the refunding of the P. G. E. stock and bonds maturing July 15 and the repayment of the treasury bills, a further reduction of $7.8 millions has been made, leaving the gross debt, as at July 15, 1942, at $157.7 millions. At the same time, a reduction of over $4 millions has been made in the net debt, bringing it down to about $141.5 millions. Saving in interest charges totals $523,741 annually on these two items alone.

On the Record

Miss Anna Speers appointed as nutritionist on the foods administration staff. She will prepare information on the nutritional value of foods and act as a liaison officer between the administration and an advisory committee on nutrition.

Registration of all public passenger vehicles order has been extended to Aug. 1. The order provides that every bus, taxi and drive-yourself vehicle must display windshield markers supplied by a regional director of the Transit Controller. Taxis must also carry a special windshield marker naming the city or town in which they are registered.

Enlistments in armed forces in Canada during the first five months of the present year total 65,153.

Camera dealers and photography fans are warned by W.P.T.B. that a used camera must not be sold at a higher price than paid for when it was new.

Canada's new stamp issue, which went on sale July 2, paid for itself three times over the first day. By July 3, philatelists and "first day cover" addicts had invested $25,000 in the new issue.

A Women's Labor Advisory Committee, representing families of 25,000 union men, has been formed at Windsor. **Mrs. A. L. Philip** is president and **Mrs. A. Happy**, secretary.

Live bait must not be sold at a higher price this season than that charged last summer, was a warning issued by W.P.T.B.

Vancouver Clears Off Bank Loans

From Our Own Correspondent

VANCOUVER.—For the first time in 11 years the city of Vancouver is free of bank loans through two financial transactions:

1. Sale through a syndicate of six financial firms of $2.9 millions worth of 11-year-old, unissued by-law bonds held by the Bank of Montreal as security against the city's capital loan of $2.9 millions.

2. Purchase through the sinking fund of $1.3 millions worth of unsold local improvement debentures also held by the bank.

The city's largest financial deal in recent years, the sale of bonds will realize $2.8 millions for the corporation and will provide about $130,000 in unexpended by-law funds for several much-needed work projects.

Change to Serials

The provincial government has authorized changing the original 40-year, 4½, 5 and 5½% bonds into serial debentures, bearing 3 and 4%. Total interest cost to the city of the new issue will be 4.11%.

The bonds are not callable for redemption before their maturity date.

Serial payments of the new issue have been graduated in such a way that payments by the city during the next few years will be lightest.

Increased payments to the sinking fund, reduction in the city's net debt and the excellent tax collections are given by the syndicate as the reason for the favorable price. Members of the syndicate are: Lauder, Mercer & Co., Pemberton & Son (Vancouver) Ltd., James Richardson & Sons, Cochran Murray & Co., McMahon & Burns and Western City Co.

'Poverty in Midst of Plenty'; Stolper Blasts Another Fable

(Continued from page 1)

full blast everyone would soon be a millionaire? On the assumption that the United States came near to full employment in 1929, its productive capacity then provided the nation with an annual average family income of not quite $1,600 (in purchasing power 1925-1934 and on a 48-hour-week basis). By 1937 this income might have risen to $2,200 had we regained full employment.

Today, to all intents and purposes, we have restored full employment, so much so that we are confronted every day with new "bottlenecks," shortages that strangle production. Has the millennium arrived? Would it even if the entire amount spent (only $6 billions in the fiscal year 1940-1941) for arms were devoted to the production of civilian goods?

Has poverty (by American standards) disappeared? Has the average American become a millionaire, or even got appreciably closer to the satisfaction of his wants? And, as we said above, the United States is the one country that had unused capacity and unused labor reserves of considerable size.

In the rest of the world (long before the outbreak of this war) unemployment had largely disappeared from Germany, Great Britain, Scandinavia. France as a predominantly agricultural country never had serious unemployment. In the rest of the world there is not much "idle money," and few "idle men, idle machines." Without money or machines, men toil 12, 16 hours a day just to keep themselves alive.

Like Simple Formulas

No one will believe that keeping his teeth in good shape would make him proof against pneumonia or an automobile accident that breaks his legs. But most of us like simple formulas. The voices of those who think they have found a cure-all for our social ills are as ingratiating as that of a radio announcer for toilet soap.

In a former generation the simple formula was "laissez-faireism." Let everybody do as he pleases and keep the government out of everything—and everything will end well. Few writers today still have the courage of this conviction, and those who profess it do not conceal their lack of faith in the chances of their gospel being heeded. They are resigned to the role of Cassandra. The overwhelming majority, if not of the scientists, certainly of the popular writers, today are in the opposite camp. Let nobody do what he pleases, let the government interfere with everything—and everything will be all right. Paradoxically enough, this creed is shared not only by Communists and Fascists; it has many believers among sincere liberal democrats.

Capitalism And Progress

The secret of the capitalist process has been most admirably revealed in two sentences by an eminent non-economist: "A hen is only an egg's way of making another egg." And: "All progress is based upon universal innate desire on the part of every organism to live beyond its income." The latter sounds like a shocking philosophical excuse for permanent inflation. Indeed, progress is conditional on a tendency toward expansion characteristic of our way of life. Where this tendency does not prevail or is suppressed, as in ascetic communities of religious orders, there may be more contentment and happiness but no progress. And as for the hen and the egg, every phase of our economic life is a link in a continuous chain of events, and every link is both effect and cause.

None of us, no citizen of any nation and no master of any nation, no government, no group, no individual, has even a remote knowledge of the infinite variety of changes that are happening at any moment and thereby breeding more changes. This is the one truth valid for all times and all places. Its recognition is the sole basis on which we can build, with all the humility that man owes to life.

Periods of prosperity are invariably characterized by large-scale investment, that is, by expansion of durable productive equipment. The invention of the steam engine led to a tremendous building of new factories to use the new mechanical device. Railroadization induced the construction of steel plants, the opening of coal and ore mines, the erection of warehouses in areas opened by traffic to new markets. Electrification offered opportunity for a huge expansion of power plants, transmission lines, cables and wires and switches and bulbs. It gave its impulse to copper mining, to new glass factories.

The automobile created a new consumer for steel, glass, copper and leather. Above all, it laid the basis for an unheard-of expansion in oil-mining and oil-refining (with their requirements for drilling equipment, pipes, and tanks), and it created a new middle class in the operators of service stations, in the mechanics. It forced a new technique of road-building and made road construction a new industry exceeding in size and importance the construction of railroads. A few years ago the airplane industry was regarded as a "peanut industry." A few months of war have made it a giant, already far exceeding in value and employment the automobile industry, and we may be certain that it is here to stay.

Shall we go on to mention the revolution in chemistry, where some of the marvels of tomorrow's daily life are already accomplished facts in laboratories and will probably transform our physical, social and economic standards more than any innovation of the past? We are not at an end. We have hardly begun. We have not reached "maturity"; we have scarcely entered adolescence.

Unemployment and Investment

Mass unemployment never originates in a let down of consumption. Mass unemployment originates in a decline of investment, that is, when an industrial economy ceases to grow and expand. The more heavily industrialized a country is, the greater is the proportion of the people employed (directly or indirectly) in capital-goods industries.

Stagnant countries, such as France, have never had a serious unemployment problem. Their problem is stagnation with all it entails: growing inefficiency, backwardness, and ultimately general corruption and decadence, to be accelerated, not stopped, by so-called social reforms. Only vital, expanding industrial countries are afflicted with periods of severe depression.

This is the fascinating secret of capitalistic evolution. It must go on and on, like life itself. If it stops, death ensues. Capitalism must grow, or it is finished. This again reveals why—contrary to all pretensions and expectations—all so-called anticapitalist philosophies are fundamentally pessimistic and reactionary in a very definite sense. All originate in despair of progress, in lost faith in individual ability and in the capacity of man to master life. This is why they call for an escape.

To some the escape is into certain forms of authoritarian government established once and for all, self-perpetuating, endowed with all the power necessary to relieve the subjected individuals from responsibility for their own lives. Others call for a "plan" and a set of institutions to supply the mysterious wisdom required to make the plan workable and worshiped.

It was not necessary even after the excesses of 1929 to let the process of readjustment degenerate into the disaster of 1932 and 1933. A large-scale public-works programme and an organized protection of the unemployed would have stopped the landslide before it wrought its havoc. Public investments cannot bring about a boom or, for that matter, full employment, but they can, and therefore must, prevent mass unemployment. And a sufficient scope of social protection can maintain consumption far above the level it would tend to reach in a depression were "nature left to run its course."

In the first period of capitalism depressions were due to shortage of goods; in the second, to shortage of money; in the third, the one in which we live, to shortage of wisdom.

Peace Boom Not Easy

The fact that the government was so easily able to create boom conditions and full employment by a vast expansion of armament must not mislead to the fallacy that a peace boom is easy to achieve. The crucial difference is that an armament boom is something extraneous, imposed on a peace economy without competing with private business. The government competes in demand for labor, materials and productive facilities. But it does not compete in supply. The products of this armament effort do not enter the market.

The same cannot possibly be attained in a peacetime economy. The amounts spent on defense might suffice to rebuild the American cities. But were this technically feasible and not in its early phases handicapped by shortages of certain categories of labor, it would create such a wholesale destruction of real-estate values that the effect would possibly be a depression exceeding in severity even that of the early 1930's.

In other words, every plan of government intervention in peacetime is affected by considerations that are alien to a war boom. Government intervention will have to be organized on a gigantic scale, but it will have to be carefully prepared, extremely diversified, and carried out with the utmost readiness to adjust itself to the unforeseen effects it may engender or unforeseen circumstances that may emerge from the chaotic post-war world.

"This Age of Fable," by Gustav Stolper is published in Canada by McClelland and Stewart.

Investment Notes

Standard Paving & Materials has elected G. T. Fulford to its board of directors. Other directors were re-elected at a routine annual meeting.

* * *

Bell Telephone Co. of Canada has issued a further 668 shares of capital stock in connection with its employee stock purchase plan, bringing the total number of shares outstanding to 838,553.

* * *

Inter-State Royalty Corp's. investments in all royalties at the end of last May had a book value of $1,174,869. Gross revenue from royalty income since acquisition amounted to $511,843 to the end of April, and reserve for depletion $140,021 to the same date.

In April the company had gross income from royalties and rentals of $1,333, while accumulated income from the same sources for the current year totalled $14,095.

* * *

Dominion - Scottish Investments had 7.95% of its portfolio in bonds, 35.91% in preference shares and 56.14% in common stocks at May 31 last, practically unchanged from the previous year. A somewhat greater proportion of the total was in Canadian securities at 85.11% against 82.36%, of U. S. securities dropping to 10.36%. Shifts in the portfolio, classified according to nature of undertaking, over recent years have been as follows:

	1942	1941	1940	1939
	%	%	%	%
For gov. & mun.	4.52	0.71	0.51	0.72
Banks & financ'l	4.79	3.41	3.52	5.31
Public utilities	5.29	5.18	7.76	8.49
Manufacturing	23.06	22.62	20.58	19.09
Mining	10.61	12.47	12.46	15.83
Rlys & Stmsh.	0.82	0.70	1.17	0.81
Engineering	3.68	3.61	4.26	5.30
F'dstuffs & bev.	9.68	11.12	12.16	10.55
Pulp & paper	8.81	10.25	9.99	7.80
Trading	4.33	4.16	3.82	4.31
Steel	3.30	3.64	2.81	2.25
Oil	6.66	7.31	6.65	6.86
Milling	0.94	1.82	1.92	2.17
Auto. & access.	0.97	1.61	1.65	1.93
Textile	7.91	7.25	6.51	4.21
El. & rail equip.	1.77	1.84	1.33	0.10
Miscellaneous	2.86	2.30	2.75	2.70
	100.0	100.00	100.00	100.00

* * *

British American Oil Co. plans to spend about $250,000 in converting a portion of its Moose Jaw refinery to the production of aviation gasoline. Work is to start as soon as some special equipment can be bought in the United States.

* * *

R. N. Hickson, senior partner in the firm of Hickson & Yuile, has been elected a member of the Montreal Stock Exchange.

* * *

John Bertram & Sons has declared an extra dividend of five cents a share on its common, payable, along with the regular semi-annual dividend of 15 cents a share, on Aug. 15, 1942, to record July 31. A similar extra was paid with the regular February payment.

* * *

Granby Elastic Web of Canada Ltd. is adding 6,000 sq. ft. of floor space to its plant at Granby, P.Q., in order to cope with new orders. A large part of this company's output for some time past has been taken by the government.

Tip Top Tailors 85% For War

Tempo of increased requirements to clothe Canada's growing armed forces is being fully reflected in operations of Tip Top Tailors Ltd. The company's big Toronto plant is now diverting 85% of its total production to war work.

A large number of units of military clothing are being turned out each week, making the Tip Top plant one of the biggest producers of this type of clothing in the Empire. Reports to the effect the company is devoting the greater part of its capacity to civilian production are officially stated to be erroneous.

Company Reports

Trust & Loan Co.

Report of Trust & Loan Co. of Canada shows a continuance of the trend of the last few years. Short-term debentures have been reduced by £128,000 to £257,000 and debenture stock outstanding has been reduced by £14,800 by open market purchases.

Larger profit during the year, before taxation, was due both to increased receipts and reduced expenditure. Prospects for the current year are seen as depending, as usual, on the crops and harvest coupled with war uncertainties. However, the increased price for wheat and prices fixed for other grains are regarded as encouraging.

Income and Surplus Account
Years Ended Mar. 31

	1942	1941
	£	£
Gross income	148,933	128,695
Less: Expenses	29,294	29,895
Deb. int.	11,775	17,379
Deb. stk. int.	28,826	29,133
Stamps, etc.	237	138
Ret. allow.	1,545	1,999
U. K. taxes	26,509	9,053
Can. taxes	22,975	10,763
Depreciation	2,026	2,027
Surplus for year	25,743	28,578
Add: Prev. surplus	35,847	27,269
Less: Contings.	20,000	20,000
Res. for taxes	25,000	......
Surplus forward	16,590	35,847

Algoma Steel

Algoma Steel Corp. net profits of $414,445 for the year ended April 30, 1942, compared with $911,816 for the preceding year. The latest year's net is equivalent to 70 cents a share on the common against $1.96 a share.

Operating profit this year is up about $150,000 to $2.6 millions. An increase in depreciation allowance of just under $1 million accounts for the lower net profits. This includes special depreciation allowed by the War Contracts Depreciation Board. Income taxes are lower at $247,802 against $568,132.

Balance sheet shows a large gain in bank loans with holdings of $1¼ millions of Victory Bonds balanced by a bank loan of similar amount. Working capital is down about $1¼ million due to expenditures on property, plant and equipment.

Income and Surplus Account
Years Ended April 30

	1942	1941
	$	$
Sales	*	25,117,776
Less: Cost of goods	*	22,638,182
Operating profit	2,626,788	2,479,594
Add: Other income	70,528	81,714
Total earnings	2,697,316	2,561,308
Less: Depreciation	1,790,307	791,372
Interest on loans	129,062	166,788
Income & E. P. tax.	247,802	568,132
Bond interest	115,700	125,200
Net profit	414,445	911,816
Less: Pref. divds.	104,775	82,556
Surplus for year	309,670	829,260
Add: Prev. surplus	3,182,405	2,353,145
Earned surplus forw'd.	3,492,075	3,182,405
*Not available.		
Earned per share:		
Preferred	$19.77	$43.51
Paid	5.00	3.75
Common	0.70	1.96
Paid	nil	nil
Working Capital	$	$
Current assets	11,409,786	9,687,147
Current liabilities	7,165,528	4,168,212
Working capital	4,244,258	5,518,935
Balance Sheet Changes	$	$
Investments	1,254,700	......
Inventories	6,480,994	6,124,690
Bank loans	3,136,000	1,774,000
Funded debt	2,314,000	2,514,000
Fixed assets	26,115,377	19,280,393
Less: Depreciation	5,392,157	3,558,015
Deferred liab. re plant expansion	3,019,088	177,241

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NEW ISSUE

$3,250,000

Province of New Brunswick

3¾% Sinking Fund Debentures
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To be Dated August 1, 1942. To Mature August 1, 1954.

Principal and half-yearly interest (February 1st and August 1st) payable in lawful money of Canada in the Cities of Halifax, Saint John, Fredericton, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver, at the option of the holder. Redeemable at the option of the Province, as a whole but not in part, on August 1, 1952, or on any interest payment date thereafter, upon at least 30 days' prior notice, at 100% of principal amount together with accrued interest to the date fixed for redemption; and redeemable in part by lot for Sinking Fund purposes only on any interest payment date before maturity upon at least 30 days' prior notice at 101% of principal amount together with accrued interest to the date fixed for redemption. Coupon debentures in denominations of $500 and $1,000 with provision for registration as to principal.

The authorizing Order-in-Council will provide for an Annual Sinking Fund of a sum equal to 1% of the principal amount of this issue, together with one year's interest on all Debentures purchased or redeemed, such Sinking Fund to be used solely to retire Debentures of this issue, either by purchase in the general market or by Call and Redemption.

Legal Opinion: G. Gordon Hyde, Esq., K.C.

In the opinion of Counsel, these Debentures will be legal, valid and binding direct and general obligations of the Province of New Brunswick and will be chargeable, Principal and Interest, on its Consolidated Revenue Fund. The Debentures will be exempt from taxation imposed in New Brunswick for all Provincial, Civic, Municipal and School purposes except Succession Duties.

Information regarding financial position of the Province will be found in the official circular which is available on request.

Price: 100 and accrued interest to yield 3¾%.

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The above information has been obtained from sources which we believe to be reliable, but cannot be guaranteed by us.

The Editorial Page . .

Time to Start Talking

Eric Johnston, new president of the U. S. Chamber of Commerce, speaking to a group of 35 of the biggest men in American industry recently, made several points worthy of the attention of all who believe in the desirability of free enterprise. He said, in part:

> "The trouble with us is that we have been arguing about the superficials and done nothing about the fundamentals.
>
> "We all like to think that we stand for the right of individual freedom and enterprise—the right to work, to make fair profit, to sit on the front porch in our stockinged feet if we want to.
>
> "And that's exactly what the great majority of the American people are fighting for today. But that system works only if you apply it realistically and fairly, and if we are going back to the days of the breadlines after the war, then some people wonder whether the system is worth fighting for.
>
> "And that's where the members of the U. S. Chamber of Commerce come in. It is up to us, after this war is over, to make the system work. We can't get back to breadlines. If we do, we are all ruined. We don't want government regimentation and the surest way to lick regimentation is to make our system work."

Business leaders indeed have a great responsibility. But the system of free enterprise must have freedom in which to work. Some of Canada's planners recently said, in effect: When the war is over, we must keep a lot of controls on business and see if the system of free enterprise will be able to meet the needs of that time. But, they implied, it won't be able to do so.

Certainly, it won't. The system of free enterprise works only under the conditions implied by those words, free enterprise.

The Canadian Institute of Public Opinion (Gallup Poll) recently reported that 50% of Canadians said "yes" to the question: "Do you think the law which keeps prices and wages from going higher should remain in effect after the war?"

The "no" vote was 33%, the "undecided," 17%. Such a result very forcibly demonstrates the need for believers in democracy, individual freedom and free enterprise getting clear in their minds what they do believe in; what kind of society they really wish to live in. It certainly indicates the need for them doing some zealous missionary work for propagation of their beliefs.

For years, the opponents of democracy and free enterprise have had an army of propagandists backed by publicity organizations at work spreading distrust and contempt for beliefs other than their own.

They have misquoted, juggled facts, suppressed relevant facts and lied virtually with impunity. As Hitler has demonstrated, say anything often enough and loud enough and you will win converts.

It's high time that believers in democracy did some talking.

It Can't be Otherwise

> "The C. C. F. believes that only through parliament can it obtain and hold the power necessary to carry through the revolutionary action which the times demand."

Such is the admirably frank statement of the People's Weekly of Edmonton.

The Financial Post warned—and warns again—that by the nature of its programme, the C.C.F. is committed to the destruction, first, of parliamentary institutions, and then to the destruction of free democratic society.

To use the People's Weekly word for it, The C.C.F. programme is "revolutionary." It inevitably involves, in addition to other things, government ownership, management, or both, of much of business.

Assume the C.C.F. were to get into power and start off with even a part of its programme, taking over a certain group of companies, for instance. Not more than five years later, time for an election comes round. Is the C.C.F. going to dare to permit a free election and take the chance of having its "revolutionary" programme imperilled?

Each "revolutionary" act propels them onward to another and another. Each makes the normal functioning of parliamentary institutions more of a mockery; more menacing to their whole new structure for the totalitarian state.

The functioning and preservation of free institutions presupposes that the various political groups in parliament are fairly well agreed as to basic principles and aims; that there is some common ground between them. Wide divergence means "revolution" and violent change with every change of government which, obviously, shortly becomes intolerable. Precisely like Hitler's Nazi party, the C.C.F. can operate only if it is the only party.

This is a point that many who flirt with the C.C.F. haven't realized. This is what sets the C.C.F. apart from the other major parties. The choice is very clear cut.

The Financial Post's Platform For-War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

No Thanks to Bureaucracy

The Financial Post is taken to task by a newspaper at New Westminster, B.C., because it believes in democracy and because it shouts a warning against things that threaten democracy.

The Post warned that the Dr. Cyril James report on postwar planning carried non-democratic implications; that the report seemed to presuppose continued use of wartime controls after victory had been secured; that it did not envisage a climate in which there would be room for individual freedom or free enterprise. The British Columbia newspaper said, in part:

> "Probably it would do no good to remind The Post and the sound money men it represents that private enterprise has had a good many chances to prove itself with the only result that each successive failure has been more spectacular than the last."

The arrant assumption of the anti-democrats that complete government control of every phase of human life and activity will be all-wise and Utopian is just plain nonsense. Governments and bureaucrats bungle magnificently and they can and do protect themselves from the results of that bungling by silencing critics, by glorifying and perpetuating their bungles in statutes.

It wasn't bureaucratic planning that gave nearly everybody on this continent housing, which, compared to that in other parts of the world, is palatial. The bureaucrats didn't develop and make it possible for almost all to use a remarkable array of household appliances. Bureaucrats didn't transform a continent's life by producing low-cost motor cars. Government offices didn't develop the products of modern industrial chemistry which has brought within the reach of everybody magnificent fabrics and an incredible new world of plastics. It was free enterprise.

It isn't bureaucratic planning that makes a climate wherein men and women of energy and goodwill have a constant impulse to improve themselves, their community and their nation.

The Post will continue to warn its readers that the kind of Canada we are fighting to preserve, that the kind of Canada that will be worth living in, will be a Canada which, as soon as victory is won, gets back from government the fundamentals of individual freedom and of free enterprise.

Not Enough Amendment

Amendments which were announced by Mr. Ilsley on the "luxury articles" stamp tax meet some of the objections of Canadian retailers but still leave room for further action. Changing the 25% purchase tax on luggage, smoking accessories and desk accessories to a 35% manufacturers level tax is certainly a step toward greater efficiency of collection and one that was recommended by The Financial Post. The elimination of the necessity of affixing stamps to each sales slip is in the same sensible category.

However, despite this compromise, there are still some real objections to the new tax. The amendments, for instance, still leave the way open for the endless controversy which arises when an attempt is made to define a luxury article. Such goods as handbags and fountain pens for many people are far from the luxury class, yet they are subject to the heavy tax. This condition leads to widespread charges of discrimination. The thought behind cutting down unnecessary spending is a quite laudable one but such a general problem requires a different method of approach from the highly selective one of the purchase tax.

Another amendment well worth considering is raised by the fact that to be properly equipped many in military service have to buy new watches and leather bags. Despite the essential nature of these purchases, the soldier, sailor or airman has to pay an extra 25%. Some exemption in this connection seems warranted.

Solution Must Be Wise

Some government departments are reported talking about putting their civil service staffs on two shifts a day. The avowed reason is that there is very much work to do; that much overtime work is required of some staffs; that rewarding overtime workers creates difficulties.

It is not unnatural that some government departments have greatly increased wartime routine. It is simple justice that there should be equity among workers in rewards for comparable responsibility and service.

But Canadians want this matter settled wisely, not politically.

In some countries of South America, the civil servant's official working day is perhaps three hours. Many government offices don't open until noon or, much later, until after siesta. The reason is that there be lots of jobs for party faithful; that such party faithful be able to hold down at least one other job. Men carrying on both jobs year after year so long as friends remain in power, is very common there. Among certain ranks of such government servants, the scheme works particularly well for the politician since the civil servant has lots of time to devote to "looking after" voters.

Canada is uniquely fortunate that, in most cases, its top civil servants, such as deputy ministers, are of such high calibre. If it is decided that two shifts of civil servants are desirable, they can in most cases, be trusted to protect the public interest.

But spare us from this being seized upon by some politicians to increase their personal supply of available rewards.

Editorials in Brief

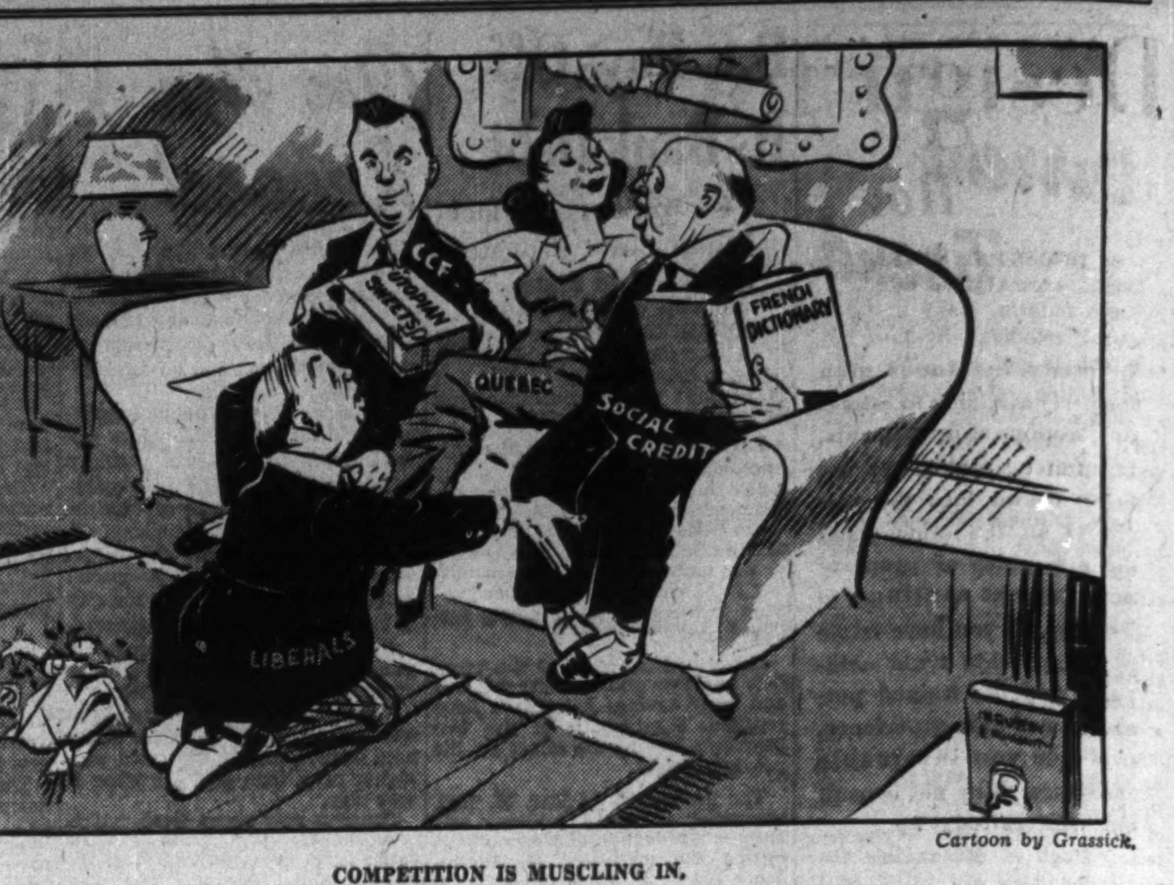
Sign of the times: On the waterfront property around the Island of Montreal, the more affluent Montrealers have over the course of years created many fine summer and year-round estates. A recent trip around the Island was notable for the comparatively large number of "For Sale" signs on these properties. The desire of the owners to sell may have nothing to do with Mr. Ilsley's recent budget, but one could not help noticing the signs were freshly painted.

* * *

Some members of Parliament have been objecting to the brewers and distillers of Canada being permitted to donate space to help promote the Victory Loan campaign.

In Britain, the Brewers' Society is not only donating space to help promote government war activities, but the actual advertisement is being sponsored by the government. An advertisement from a recent issue of The Sunday Times had this at the bottom:

Issued by the Ministry of Information.
Space Presented to the Nation by the Brewers' Society.



Cartoon by Grassick.

COMPETITION IS MUSCLING IN.

Post-Scripts . . . .

Newsie to Newsprinter

Old-timers around Neenah, Wis., remember when young Charlie Sage peddled newspapers and delivered telegrams to keep the wolf from his door.

MR. SAGE

"Always was a bright boy, that Charlie," they often say nowadays.

They said it just recently when Neenah papers carried a dispatch from Toronto reporting that Charles H. Sage had been elected president and executive head of Spruce Falls Power & Paper Co., Ltd.

The evolution of Sage from newsie to newsprint magnate followed much the same pattern as a story by Horatio Alger, Jr.—the "Rags to Riches" formula.

He was born in Denver, Col., 51 years ago. His father was a Presbyterian parson and far too busy trying to convert the sinners of a rough, tough, rip-snorting wild west boomtown to acquire any of this world's goods.

From Denver the Sage family moved on to Neenah, where both Charlie's parents died young, leaving him a penniless orphan when he was 14. A dark, quick, lean youngster, he had to do a lot of hustling to get the wherewithal for three meals a day.

From selling papers, from delivering telegrams, he went into a grocery store as a clerk. He was a very junior clerk and his weekly pay envelope was so thin as almost to be transparent, but it was convenient for a growing boy with a lusty appetite to spend 10 or 12 hours a day in the vicinity of a cracker barrel.

By working overtime for the grocer he picked up the rudiments of bookkeeping. That brought him a job as bookkeeper in a hardware shop. This paid him a bit better but sitting on a high stool struggling with ledgers all day wasn't exactly to his liking. Anyway, plumbers were doing quite well for themselves financially. Charlie sold a plumber, a customer of the hardware establishment, the idea that he would make a first rate plumber's apprentice.

By the time he was 16 he was convinced he would make a good plumber if he stuck with the trade, but he was also convinced that he'd rather be a businessman than spend his life fitting pipes together.

The way to be a businessman was to get a job in a business. The biggest business in Neenah was Kimberly-Clark Co., which manufactured pulp and paper. Charlie Sage, plumber's assistant, became Charlie Sage, Kimberly-Clark's office boy.

Today on the vice-president's door at Kimberly-Clark's you see the name, Charles H. Sage.

While Mr. Sage still lives at Neenah, his business interests have long since become international in scope.

Among others things, he is president of Upper Canada Timber Co., Ltd., Toronto; member of the executive committee, Newsprint Association of Canada; director of Sun-Tested Wallpapers, Ltd., Toronto. He serves on the newsprint industry division of the Dominion advisory committee of the Wartime Prices and Trade Board.

On the other side of the border he is vice-president of Pulp Wood Co. of Wisconsin, member of the executive committee of the American Pulpwood Association, director of many pulpwood and timber concerns.

When the National Recovery Administration was trying to pull the United States out of the depression, Mr. Sage served his country in important executive capacities.

He was twice president of the Groundwood Paper Manufacturers' Association.

Somehow or other he has found time to belong to the U. S. Coast Guard Reserve, to take an active interest in the National Conference of Christians and Jews, and to golf, ride, yacht, raise pure bred dogs and play a better than average game of tennis. He is married and has two children.

His election as president of Spruce Falls Power & Paper Co. makes him, although he still lives in Neenah, Wis., the leading citizen of Kapuskasing, Ont., a town of 4,000 which grew up in the northern wilderness around the company's mills.

Spruce Falls Power & Paper Co. employs more than 1,000 men at Kapuskasing and in its power plant at Smoky Falls, has an annual capacity of 175,000 tons of groundwood pulp, 100,000 tons of sulphite, 200,000 tons of newsprint. At the present time much of the personnel is engaged in munitions machining and kindred production, apart from their normal occupation.

As president, Mr. Sage succeeded F. J. Sensenbrenner. Ernst Mahler, of Neenah, was elected vice-president at the same directors' meeting.

* * *

Upsets Tradition

Mrs. Fred J. (Tilly Jean) Rolston, recently elected a vice-president of the Association of Canadian Clubs, is one of Vancouver's most active women engaged in community service and one of the five women members of the British Columbia legislature.

When she was elected at the last provincial election she upset a political tradition in the west coast province, because never before had the Conservative party nominated a woman for an important constituency. She is representing the wealthy Point Grey riding, which includes Shaughnessy Heights, Kerrisdale and other favored residential sections.

Mrs. Rolston has doubts as to whether she should be described as a pioneer or a native daughter, because she was born in Vancouver soon after the city was incorporated and that was more than half a century ago.

Her parents, Mr. and Mrs. Joseph Cameron, went west from New Brunswick and settled in the little town on Burrard Inlet, later to become the metropolis of the west coast, shortly before the great fire which swept away most of the vestiges of earlier habitation.

Educated in Vancouver public schools, Strathcona and the old high school, she took two years of university training in Vancouver when McGill University was affiliated with a college in the western city. In 1909 she married Fred Rolston, life insurance executive. There are three children—two daughters and a son.

Long associated with women's club work in Vancouver, she was recently elected president of the Women's Canadian Club, largest of its kind in Canada, with a membership of more than 2,400. She became interested in public life when she ran for the city parks board and was elected a few years ago.

She made such a good record on the parks board that when the Conservatives started looking for candidates in the last election she seemed the logical choice for one of the Vancouver constituencies.

"I never gave politics a serious thought until they asked me to run," says Mrs. Rolston. "And I never imagined that I would be elected."

Now that she is in the house she intends to make politics a career, and those who know her best believe she is well equipped for that aspiration.

* * *

Trouble-shooter

Tall, lean Carl Reinke has had many a tough assignment. Now he has the toughest one of his whole career—and it's outside his profession—that of newspaperman. At a time when manpower problems grow constantly more pressing, constantly more complex, he has just become executive assistant to Elliott Little, director of national selective service.

MR. REINKE

He'll take part of the load off Mr. Little's shoulders, probably act as "trouble shooter" straightening out tangles.

Frederick Herbert Carl Reinke—he never uses the "Frederick Herbert"—was born in 1905 in Ancaster Township, Ont., where one side of his family settled six generations ago, the other four generations ago. He got his early education in Hamilton, then graduated from the University of Toronto and joined the staff of the old Mail and Empire in 1929.

Next year, he enrolled at Osgoode Hall, attending classes in the mornings and working for The Mail and Empire afternoons and evenings. He finished two years of a three-year course before the physical strain forced him to give it up.

In 1936 Mr. Reinke became a member of the press gallery staff of The Canadian Press at Ottawa and his name was soon familiar to newspaper readers across the Dominion.

Representing The Canadian Press he travelled with the Rowell-Sirois Commission on Dominion-Provincial Relations throughout its seven-month schedule of hearings in the nine provincial capitals and at Ottawa. It was a job that would have kept two men busy. Reinke did it alone, and did it so well that he won wide recognition. He says now he wouldn't trade that first hand course in Canadian social, political and economic development for any other experience.

In December, 1940, the Dominion Government needed for its Ottawa censor bureau newspapermen who combined experience and sound judgment. Mr. Reinke was one of five pressed into service.

A year later when the duties of the censorship office slackened somewhat, he was loaned to the Office of the Director of Public Information. He worked with the Wartime Prices and Trade Board during its most intense period of organization, then for a few weeks did publicity for the National War Labor Board and was a liaison between W.P.T.B. and N.W.L.B. Some months ago he was appointed chief of the news and features sections of "D.P.I."

One of the assets he brings to his new job as Mr. Little's executive assistant is knowledge of labor. In his university days, he worked summer holidays in steel mills, railway construction, industrial plants. He studied labor relations, later checked up on his "book learning" in a practical way as a labor reporter in Toronto.

Other People's Views . . . .

The Canadian Editorial of the Week

Free Enterprise Must Say Its Piece

The Gazette, Montreal

Among the freedoms at stake in this war is free enterprise. It has given place to government regulation — priorities, price ceilings and so forth—for the duration, but will it come back automatically when the war is over? If bureaucrats, anxious to perpetuate their official authority and the financial returns therefrom are permitted to have their way, the answer is "no." It seems, therefore, that those who believe in free enterprise as a cardinal principal of sound national economy must be somewhat more articulate than they have been if their case is not to go by default.

Having listened to a series of radio discussions on this subject, the Wall Street Journal concludes "that those who would preserve our present system are suffering from a malady all too prevalent of late, the defensive state of mind."

Thurman Arnold is quoted as having said last month that he could see cheaper electricity, cheaper transportation, cheaper housing and cheaper living after the war and as having predicted that "we will make our capitalistic system so efficient that all of us will get more of the good things of life."

Another business prophet, Charles F. Kettering, vice-president of General Motors, recently foresaw dramatic changes in production that will bring better and cheaper postwar automobiles.

The American industrial system has its counterpart in Canada, and here, too, it may be necessary to preach the positive rather than the negative aims and virtues of free enterprise, preferably by the readily available means of institutional advertising which has already proved to be so potent an educational factor in the business field.

One of the lessons to be taught is not necessarily that things will be cheaper and more plentiful after the war but that free enterprise, and nothing else, will make them more plentiful and cheaper.

Industry will be able to play a major part in postwar reconstruction, and is willing to do so. It can only do this if enterprise remains free or if its freedom is restored. That condition is too important to be left to chance. It will be left to chance if advocates of free enterprise neglect to tell the people what industry, with its initiative unhampered, has done in the past, and what it is ready to do in the time to come.

* * *

As Others See Us

Comments

Elmira Signet, Ont.

The Financial Post tells a simple story about its stewardship which proves a shock even to an editor of a weekly newspaper. The MacLean Publishing Co. took in over $4,000,000 in revenue and here is how the balance sheet worked out: some 52% in wages, 42% in materials, paper, ink, engravings, etc. About 96% is accounted for in direct out-of-pocket expenditures. This left 4% for interest and dividends on the capital invested and for building up a surplus to meet any period when earnings may be lower. The Post then could be considered 96% service to its reading public. Something proud to boast about—Post readers know good value.

* * *

Who Are Practical Farmers?

Moose Jaw Times-Herald

When in a recent issue of The Financial Post the suggestion was made to the Ottawa Government that it might do worse than call into consultation practical agriculturists when it is dealing with agricultural problems, it was to be expected that the Western Producer would for once be found quoting the Toronto financial paper with approval. The Post pointed out that on the industrial front the government had called in industrialists in connection with production problems, but that the farmers had not been consulted on agricultural problems.

Such a comment from The Financial Post was naturally much to the liking of the Western Producer, which has been hammering away on this anvil for a long time. One wonders where it would be possible to find a "practical" farmer whose services could be made available and with whose theories and ideas any considerable number of his fellow farmers would agree and be ready to accept.

Anyone who has attended a gathering of farmers knows full well the wide diversity of views that are held by farmers on farming methods and farming economics, to say nothing of farm marketing and kindred problems.

This is a natural condition of affairs, because the farmers are inherently individualistic, each is his own boss, and everyone has his own theory on cultivation, seeding, harvesting, marketing, feeding of livestock and other daily jobs about the farm.

* * *

The Mail-box

The Wool Price Question

Editor, The Financial Post:

In your last issue you printed a letter from a correspondent in reference to the price of wool.

Extravagant statements, if unchecked and often repeated, soon become the currency of accepted fact and do much harm. Hence a brief and authoritative statement on this subject may be in order.

Your correspondent states that the Canadian Wool Board Ltd. "put a ceiling price on wool at a ridiculously low price and then placed an embargo on it being shipped to the U. S. A." Farther on he states that except for this action "wool would have sold readily at 50c. a pound."

The facts are, first, ceiling prices on wool in Canada are those of the basic period Sept. 15 to Oct. 11 last in sales of wool to mills by the trade at that time. Secondly, there is no embargo on wools; wool is exported under permit and permits for the export of any wool from Canada were required long before Canadian Wool Board Ltd. came into being. Thirdly, prices on the 1942 Canadian wool clip are over all the highest competitive prices obtainable anywhere, with prices for the present Canadian wool clip on the generous side of the full landed cost, (including insurance) of like and comparable imported wools.

Further, it may be confidently stated that prices to Canadian growers are quite as high as could be obtained through markets in the United States, where any Canadian wools of necessity are considered as foreign wools and as such are competitive in price with all other import wools in the United States.

These are the plain facts in regard to the price situation, but this does not mean that the Canadian Wool Board Ltd. does not understand the problems of the Canadian wool grower or appreciate his difficulties. There is, however, every justification for believing that present prices are higher than would have been the case if the present system of marketing had not been adopted. Based on past experience, it could be that with so large a proportion of Canada's wool requirements being imported annually, the domestic clip would not find its rightful place either in price or in the home market. Action of the government in the formation of Canadian Wool Board Ltd. has solved these problems for Canadian wool growers for the duration of the war and one year thereafter.

Yours very truly,
GEO. W. FRASER,
Secretary, Canadian Wool Board Ltd.

* * *

Sayings of the Week

"We are ranged against fanatics, yet we are fighting like men and women doing a government job. Every day we ladle out soothing syrup. Our people must be told we are winning or they will not sleep happily." — *Wm. Morris Hughes, Leader of the United Australian Party and Prime Minister of Australia in the first World War.*

* * *

"I'm old-fashioned. Everybody else uses a washcloth but I like a sponge for my back." — *Wilhelmina, Queen of the Netherlands.*

* * *

"A pickle-puss teacher with a vinegar disposition should be, and will be, eliminated from the nation's schools."—*Katy V. Anthony speaking at the National Educational Association Convention in Denver.*

* * *

"The Chinese do not accept the much-mooted theory of enriching the poor by dispossessing the present owners of their wealth. They do not believe such a step would give any prospect of enduring alleviation of poverty and human misery. We prefer levelling-up to levelling-down."—*Madame Chiang Kai-Shek.*

* * *

Stop Me If . . .

There was a crash, and a ball came sailing through the kitchen window and landed at the housewife's feet. She quickly rushed to the door, only to find the street deserted.

About half an hour later a timid knock came on the door, and the scared voice of a small boy said: "Please, ma'am here comes father to mend your window."

Looking up the road, she saw a man with a piece of glass approaching the house, so without further ado, she returned the ball to the boy and praised him for being so honest.

It did not take the man long to repair the window. Then he turned to the housewife.

"That'll be $1.50," he said.

"What!" she exclaimed. "Wasn't that boy your son?"

"Bless you, ma'am," said the glazier, "ain't you his mother?"

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Design for Staying in Business

How Help For the Retailer is Being Tackled

By ROBERT C. STARK

Even in normal times there are business failures. Many of these are small retailers who have not been able to get on a sufficiently solid footing to withstand the swirling tides of fortune. To those small retailers who have no great capital reserves behind them war has brought many new burdens. Outlook for staying in business under those conditions is bleak in a large number of cases.

That situation has been recognized by the government and steps to lighten some of the load carried by the small businessman are being taken on an increasingly broad front. These steps are being guided by the Wartime Prices and Trade Board's Division of Simplified Practice, whose director, Hugh A. Mackenzie, expresses the idea:

"Every possible economy and efficiency must be introduced if business is to bear up under the burdens which would bury it today. Determination and a definite plan can convert the apparent liabilities which face the small businessman, into worthwhile assets which will not only enable him to carry on now, but will help bring his operations into the postwar period in a healthy state."

To outline that definite plan it has been necessary to do an extensive fact-finding job. This is the particular task of the Management Service Section of the Division of Simplified Practice whose method closely resembles that used in public opinion polls.

Fact-finding Job

First major step is to compile a comprehensive questionnaire which is carefully worded by experts in the various trades. Next comes selection of a cross-section of the trade. With the co-operation of wholesalers and manufacturers a number of retail outlets typical of the trade right across the country are chosen. Retailers in urban centres, rural communities, industrial districts are all included in this cross-section.

By such a method and through the fact that a large number of retailers in the same trade have common problems, a fairly rapid survey can be made. Of the drug trade's 4,000 members, for instance, it was found that interviews with something less than 2% of the total gave satisfactory results.

100% Reception

Next step is a personal interview with the selected retailer by a representative of the Management Service Section. This is a "cold" approach, the retailer having no idea he has been chosen. Harassed by many problems, however, he is glad to learn that somebody is interested in trying to help him out. Reception given the Management Service representatives is described as 100% with retailers giving complete cooperation in supplying the material requested and making further suggestions. Naturally, all information given is held in closest confidence.

Expectation might have been that when a retailer had developed a particularly profitable line or business procedure he would try and keep it for himself. Actually, they have shown no hesitation in throwing these ideas "into the pot."

By the time that personal interview is over there is down on paper a full disclosure of every phase of the individual retailer's operations.

Take Full Picture

Through answers obtained by the long questionnaire, operating expenses are broken down into their individual items such as advertising, salaries, bonuses, rent, taxes, insurance, light, heat and power, etc. Retailers tell what they are doing to reduce such expenses. The bookkeeping system is examined. Many small retailers have been unable to form a really definite picture of their business simply because they have carried their books in their head.

Discounts Important

Buying and selling systems are looked into. The availability of cash and quantity discounts is very often an important factor in maintaining the profit margin. On the selling side, the forms of inventory control used are disclosed, the rate of stock turnover reported. Profit margins on different products are itemized. This point is particularly stressed in the grocery trade where such items as extracts, spices, nuts, etc., may have an important bearing on the general profit picture.

With drastic shortages in manpower and materials, the survey replies dealing with deliveries and substitute lines are of particularly timeworthy significance. Object here is to bring into clear focus in the dealer's mind where he can further improve his delivery system to reduce its cost and also to make him think ahead of time how to replace materials in dwindling supply.

A poor credit situation has driven many a small retailer to the wall. He is being asked to disclose through the questionnaire his method of extending credit, what percentage of his sales are for credit, what is his bad debt loss, if he would be in favor of general credit restrictions.

Compile Replies

Replies to these wide-ranging and deep-digging questionnaires are compiled and various conclusions drawn by the Management Service Section. Follow-up comes through regional meetings held with the trade in different parts of the country. At these meetings, usually sponsored by the trade associations, the dealers, en masse, have explained the object of the programme and are given a chance to get their problems off their chests. The ideas brought out by the trade survey are presented for general discussion.

These meetings are not without touches of human interest. At a recent regional gathering it was declared by some dealers that it is particularly hard in places to get customers used to taking unwrapped articles as the impression conveyed over the years was that a person leaving a shop with an unwrapped article was suspected of being a shoplifter. Foreigners were claimed to be particularly reluctant to accept parcels without wrapping.

Out of the regional meetings there emerge concrete ideas, usually of a nature generally applicable to the trade. These ideas are handed over to the trade for their consideration and guidance. There is no compulsion involved. It is purely up to the retailer if he wants to follow the suggestions offered.

This general modus operandi is being followed in the hardware, food, drug and footwear trades, with most progress so far made in the first of these. This has resulted in the preparation of a "Wartime Plan for the Hardwareman" indicating 28 ways by which he can help to keep himself in business.

Conservation First

First recommendation that came out of the hardware trade survey was to conserve items that cannot be readily replaced. This would include such lines as enamelware utensils, galvanized wares, tools of all kinds, electrical goods, etc. Hardwaremen are told to keep these items out of the window, discontinue featuring them in advertising, tell clerks to "soft pedal" them and discourage overbuying by customers. By holding on to items hard to get, a more complete stock will be maintained.

To help take up the slack, sales of lines that can be replaced more easily should be built up. These lines should include materials that are available for civilian use after war needs have been taken care of. Such lines as woodenware, glassware and mirrors, paints and some types of plastics fit into this category to be featured. Thus, sales appeal is being changed to push lines which are in comparatively abundant supply.

Many old lines of metal and rubber have gone to war and substitute lines have to be developed to keep up volume. Strenuous efforts are being made by Canadian manufacturers to create new items from non-essential materials. Hardwaremen are advised to keep talking over this angle with their wholesalers. Substitutions that can be made include wooden instead of metal pails, china instead of chrome soap dishes, leather instead of rubber washers.

Broadening the scope of a store's operations may also be a material lift to profits. There are possibilities in handling "agency" lines that can be sold profitably to customers without having to carry them in stock. It is suggested that there are small manufacturers who may be glad to have a "front street" outlet for their products or services. Examples are fitted screens and storm sash, glazing, insulation, painting and decorating.

Watch Credit Business

To make up a $1 credit loss a $50 sale is needed. Credit accounts take much bookkeeping in addition to the risk. Cash business is healthy and clean. Dealers are being advised to clean up their credit accounts and reduce credit sales to the absolute minimum.

Substantial savings in inventory can be made through stocking only popular, essential lines. A survey just completed shows that many merchants do 80% of their business on 20% of their stock. Through increasing turnover, costs can be cut.

One angle to retail store operations which has come in for a good deal of misinterpretation is advertising. Officials and trade leaders recommend no restrictions in effective advertising. The use of recognized journals and trade papers for advertising plays an important part in developing sales and keeping a name prominent.

Another big trade help is available through the trade papers. Up-to-the-minute information on trade trends is given in these journals so that dealers may keep abreast of the latest developments in their own particular business.

This, in effect, represents a huge educational programme for the small businessmen of Canada. Allied with the self-reliance built up through the years is the helping hand of official co-operation and guidance. The combination will mean that many a small retailer will be able to ride out the storm, that all of them should suffer fewer bruises and grey hairs.

Canadian Pacific Railway's working force from 1939 to 1941 increased 7,102 to 56,197, a gain of 14.4% Total payroll in the same period jumped $19,311,000 to $96,694,000, an increase of 26%.

The Week in Business

Continued shrinkage of available business indicators, under the cloak of censorship and shift from ordinary work to wartime requirements, is steadily making an accurate appraisal of the position of the Canadian economy more difficult. The Dominion Bureau of Statistics finds itself unable to maintain previous services due to lack of staff. Latest curtailment imposed by the censors wipes out details of our export and import trade.

The Financial Post's index of business activity for June this year is down 3.5 points from May at 165.0 and compares with 162.0 a year ago.

Bank deposits are also lower this month with the index at 160.1 comparing with 167.6 for May and 169.8 for April. A year ago it was at 157.4.

Carloadings continue to rise with the gain to July 11 this year 9.4%. Details of railway revenue freight loadings show tonnage rising faster than number of cars. At 188.9 for June the index of tons compares with 183.0 for May and 174.9 for June a year ago. Index of cars loaded at 141.4 for June compares with 142.3 for May and 133.9 for June last year.

Cotton consumption in June is down about a million pounds but for the first half of 1942 there is a gain of a million pounds, or 1%.

Life insurance sales for June at $43.9 millions compare with $33.7 millions in the corresponding month a year ago and for the first half of 1942 show a gain of $44.5 millions, or 22.9%.

LATEST FIGURES AND INDICES
New items this week marked ■

	June	May	Apr.	Mar.	Year Ago
■The Financial Post business index	*165.0	168.5	168.0	168.2	162.0
Dom. war expend. (million $) ...	....	204.9	142.2	....	90.3
Dom. total revenue (do.) ...	....	333.9	170.8	....	224.4
Dom. total expend. (do.) ...	....	386.2	247.5	....	130.8
Retail sales index no.	....	149.1	155.7	161.4	134.5
Dept. store sales index no.	....	140.5	148.5	156.9	129.2
Wholesale sales index no.	....	158.6	154.5	155.4	148.6
Country store (% change pr. yr.)	....	+11.7	+14.0	+13.8	+8.8
Divd. payment index♦	121.8	120.9	121.0	121.1	119.6
■Bank deposits (1926=100)	160.1	167.6	169.8	163.4	157.4
RAILWAY FREIGHT LOADINGS—					
Tons	188.9	183.0	189.3	177.4	174.9
Cars	141.4	142.3	140.3	136.2	133.9
COST OF LIVING—					
D.B.S. index	116.7	116.1	115.9	115.9	110.5
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	167.4	165.2	165.1	145.5
Manufacturing	....	202.3	199.4	195.7	162.3
Payroll (June 1/41=100) (b)	....	124.0	121.6	119.4	....
Payroll index (a) (1937=100)	....	196	187	191	171

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
■Carloadings (week July 11)	66,789	63,128	1,766,356	1,613,789	+9.4
■C.N.R. gross (week July 14) $	7,826,000	5,544,000	184,240,000	152,676,000	+20.7
■C.P.R. gross (week July 14) $	4,838,000	4,167,000	130,698,000	108,042,000	+20.9
C.N.R. net revenue (May) $	7,769,691	7,788,841	30,072,950	25,279,769	+18.9
C.P.R. net revenue (May) $	4,233,560	4,161,819	17.773,718	15,851,390	+12.1
IRON AND STEEL—(May)—					
Pig iron production (tons)	171,386	127,259	806,039	574,827	+40.5
Steel ingots and castings prod. .... (tons)	272,247	230,843	1,305,075	1,076,624	+21.3
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (May)	849	10,158	13,570	49,984	—72.9
Trucks and Buses:					
Domestic sales* .. (May)	811	4,331	11,271	17,216	—34.5
Financing:					
Used .... (May) $	1,839,637	6,906,661	7,795,467	23,180,166	—66.4
New .... (May) $	473,228	5,272,038	4,845,483	18,922,008	—74.4
CONSTRUCTION—					
Contracts awarded . (June) $	46,756,200	85,747,500	134,947,200	215,466,600	—37.4
Cement prod., bbls. (Apr.)	619,907	568,681	1,602,615	1,531,733	+4.6
AGRICULTURE—					
Flour prod., bbls. .. (May)	1,481,449	2,121,397	8,390,031	7,898,523	+6.2
Flour exp. bbls ... (June)	653,520	1,750,924	5,409,447	5,462,140	—0.9
Cattle sales▲ ...... (June)	92,559	82,866	524,829	476,488	+10.1
Hog sales▲ .... (June)	425,530	383,747	3,147,709	2,893,982	+8.7
SEA FISHERIES—‡					
Catch, cwts. .... (Apr.)	347,300	373,300	2,389,840	1,709,800	+39.8
Landed value ...... (Apr.) $	1,318,000	1,068,000	3,587,300	2,786,000	+28.7
NEWSPRINT—					
Production, tons ... (June)	242,752	273,687	1,658,174	1,621,134	+2.3
Exports .... (May) $	11,868,000	12,572,000	62,153,000	56,489,000	+10.0
MINING AND OILS—					
Coal prod., tons ... (May)	1,299,694	1,222,976	8,048,950	7,282,138	+10.5
Coal import, tons ... (May)	2,267,879	1,309,690	7,055,478	3,567,819	+97.7
■Gold rec., fine oz. . (June)	398,895	405,631	2,370,188	2,539,879	—6.6
Crude oil, imp. gals.† (Apr.)	126,338	79,922	375,088	261,046	+43.7
ELECTRIC POWER OUTPUT—(May)—					
Total monthly, 1,000 kw.h.'s	3,174,764	2,805,394	15,569,184	13,172,325	+18.1
FOREIGN TRADE—♦					
Imports .... (Apr.)	$141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports .... (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (May)	172,854	152,756	701,305	782,052	—10.3
Shoes, prod., pr. ... (May)	2,816,432	2,843,157	13,602,147	12,175,597	+11.7
■Cotton consump., lb. (June)	14,970,262	15,915,739	99,626,902	98,620,215	+1.0
Raw rubber imp. lb. (Apr.)	17,023,133	6,669,217	38,523,612	36,901,434	+4.4
Cigarette cons., No.† (May)	771,478	654,333	3,848,212	3,143,561	+22.4
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
■Bank debits† ...... (June) $	3,767,042	4,240,630	21,591,707	18,810,099	+14.7
Bond sales† .... (May) $	92,329	365,348	1,719,321	686,648	+150.5
■Life insurance sales (June) $	43,898,000	33,670,000	238,780,000	198,766,000	+20.2

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
♦Supplied by Nesbitt, Thomson & Co. *Preliminary.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

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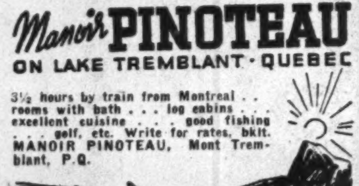

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How Much Currency Does Canada Need?

Rising Note Issue Hints Inflation Not Yet Licked

By DONALD G. MACLEAN

Steadily rising note circulation of the Bank of Canada week by week has led to fears that the country is facing a period of currency inflation. For the week ended July 8, for instance, the figure was $551.5 millions, an increase of $155.6 millions over a year ago and of $371.8 millions over Aug., 1939.

The total volume of this circulating media in the hands of the public at the end of May was estimated at $538 millions, an increase of around 132% over Aug., 1939.

Taken by themselves, these figures would suggest a growing threat of currency inflation. If the rise continues after Canada's production effort has reached maturity (it is very close to the peak now), the swelling total of cash in circulation will be difficult to interpret in any other way.

Up to now, most monetary authorities have explained the rise by increased employment, greater amount of money needed to pay larger wage bills, meet higher prices, etc. While the cost of living has gone up around 16%, the prices of goods for which cash is ordinarily paid have gone up farther, perhaps about twice as high after counting in new excise taxes, etc.

That would automatically account for a currency increase of perhaps 30%. On top of that would come the need for pin-money for all the newly employed workers in Canada, and the fact that many of the pre-war "employed" were often working for their keep, saw little cash. Taken together, higher prices and better employment would come close to justifying a 132% increase in Canada's cash.

In Other Countries

Since the beginning of the war the quantity of money in circulation in both the United States and the United Kingdom has increased substantially, 65% in the United States and about 51% in the United Kingdom. The rise in Canada therefore is greater than in either of the other countries. It is stated in explanation that before the war cheques were used to a greater extent in Canada than in Britain or the United States. Since the war, the proportion of business in Canada transacted by cash has increased enormously. This, it is claimed, is responsible to a large extent for the greater proportionate expansion of currency in Canada.

But what are the factors that normally affect the volume of money in a country? These have been enumerated as:

The general condition of business including employment.

Prices of goods and services,

Seasonal developments such as the crop movement.

Hoarding.

The degree to which banking facilities are available.

Employment

Since the outbreak of war volume of business has increased enormously. The index of industrial employment for all Canada increased about 50% between Aug., 1939, and May, 1942. Many of these people had previously had no job. War demand for labor brought increases in wages largely paid in cash. In addition hundreds of thousands have enlisted in the armed services, all paid in cash.

Hoarding in its strict sense is not considered an important factor in the currency situation in Canada. There has been a tendency among many people, however, to keep more money in their homes or on their persons than they do normally. One reason has been that in certain exposed areas many people think that if their town was bombed or shelled and their bank building hit they might for the time being have difficulty in getting ready money for necessary transactions. Relatively little money, it is believed, is being put away in strong boxes or stocks for safekeeping.

Another factor that has been making itself felt increasingly in Canada is the closing of branch banks. Since January over 33 branches have been closed. This means a decrease or even cessation of banking facilities in certain areas, with a resulting smaller use of cheques and greater use of cash. Similar to this is the effect of the service charges made by the banks for cashing cheques etc. This has tended to discourage the use of cheques, increase individual cash holdings.

Another factor that helped to swell the volume of Canadian currency after the start of war was the withdrawal of a large volume of United States currency in use in this country. When the Canadian dollar went to a discount of 11% and the Foreign Exchange Control Board required all U. S. funds to be sold to it, American money largely disappeared. Normally U. S. tourists brought in large sums of their own money which circulated for weeks after it was originally spent. The war and exchange control ended that. A striking example of this was the famine for copper coin at Christmas, 1939, when the supply of Canadian coins was entirely inadequate until the mint was able to catch up.

Is Increase Justified

These factors have all helped to bring an increase in the volume of money in Canada. Whether the increase is justified by the condition of business or not may be more difficult to determine.

Two facts in the situation stand out. One is the absence of hoarding, the other, the stated hostility of the government's financial advisors to anything savoring of currency inflation.

In his annual report for 1940 Graham F. Towers, Governor of the Bank of Canada, stated that the continuous rise shown in that year in active note circulation was to be expected in view of the large increase in employment and national income.

In January, 1940, Premier Hepburn of Ontario advocated financing the war by the issue of currency as a cheaper method than borrowing at 3%. He was quoted in the press as saying that the amount of money in Canada was $30 per capita against $70 per capita in the United States.

In a recent statement submitted to Finance Minister Ilsley in Parliament, the amount of money in Canada was stated at $25.24 per capita on March 31, 1941, and $45.79 on March 31, 1942. On March 31, 1939 it was $20.85.

The volume of active currency of all kinds in the United States according to recent estimates was $11.7 billions. Taking the population at 130 millions it would appear the United States per capita figure at $90 is still far ahead of Canada. That of the United Kingdom works out at about $79 at $5 to the pound or at the prevailing rate of sterling in Canada a little over $70. It will thus be seen the volume of money in Canada is considerably less per capita than in either of the two other countries.

While wholesale prices in Canada are about 32% higher than before the war, and the cost of living up about 16%, the rise is not considered due to larger currency volume so much as greater demand for goods due to increased employment and higher wage levels. These in themselves are inflationary factors but are regarded as a cause of currency expansion rather than the result of it.

Decline May Come

Government ceilings on prices and wages are aimed at preventing price increases and inflation. With Canada at or near full employment and the income tax taking a large part of each individual's income it is believed by some the demand for cash may in the near future show a decline with a corresponding reduction in note circulation. If it doesn't, we have prima facie evidence that we have still to defeat inflation.

Insurance Company Reports

Yorkshire Insurance

Premium income of Yorkshire Insurance Co. topped $20 millions in 1941 while assets went over the $100 millions mark, according to the annual report. There was a substantial profit on underwriting transactions.

Translated at $5 to £1 sterling, the statement shows that fire premiums amounted to $5,036,650, an increase of $450,725 over 1940. The loss ratio was 41.44% against 51.80% in the previous year, and underwriting profit was $481,210.

Marine premiums were down $31,060 from 1940 to $3,969,385. While the life department showed some recession from the 1940 level, $2 millions was added to the life fund.

Yorkshire entered Canada in 1907, with head offices in Montreal. Its business in the Dominion, including figures for its subsidiary, London & Provincial Insurance Co. produced a premium income of $689,734, an increase of $39,089 over 1940. Yorkshire has deposits with the Dominion Government of $1,388,148, and a surplus of more than $4.4 millions on all Canadian liabilities. F. T. Dufty is Canadian manager.

London & Provincial

The 1941 financial statement of the London & Provincial Marine & General Insurance Co. Ltd. reveals that the fire and accident department premiums for the year, less reinsurance, amounted to $1,228,380, with expenses of $308,820 for claims paid and outstanding, $190,945 in commissions, and $127,590 for general expenses of the management All figures are at $5 to the £.

After setting aside the reserve for unearned premiums, being 40% of the premium income, or $291,350, the underwriting profits transferred to the profit and loss account was $43,680. In addition, the sum of $100,000 was transferred from the marine department.

After payment of general expenses, including $41,900 in foreign and Dominion taxation, loss on investments realized of $5,620, investment expenses of $345, directors' fees of $8,410, and other expenses amounting to $7,050, after setting aside a reserve for taxation and contingencies of $100,000, and declaring a dividend of $125,000, the profit and loss account shows a balance of $819,180 to be carried forward.

Total assets of the company as of December 31, 1941, are shown at the sum of $8,932,435.

Among the liabilities are the marine insurance fund of $1,687,635 and the fire and accident insurance fund of $291,350, outstanding claims of $341,825, the reserve for taxation and contingencies of $272,435, due to agents and other companies the sum of $224,090, and $120,790 due to other creditors.

Reserve funds are provided among the liabilities totalling $3,575,000, in addition to the balance of $819,180 carried forward from the profit and loss account. Paid-in capital of the company stands at $1,500,000, which with the various reserves set aside for the purpose gives adequate protection to the policyholders. The Canadian manager for the London & Provincial, which is associated with the Yorkshire Insurance Co., is F. E. Dufty of Montreal.

Insurance Notes

Howard R. Brockett, of the engineering and inspection staff of Aetna Life Affiliated Companies, recently marked his 25th anniversary with the organization.

* * *

A new all-time record in number of applications for new insurance received in one month has just been experienced by Imperial Life Assurance Co. of Canada. The volume of business represents an increase of 68% over the same month last year. Total business sold during the first six months of 1942 showed an increase of 25% over the same period last year.

* * *

North American Life Assurance Co. reports a 31% gain in new insurance sales for the first half of 1942, as compared with the same period last year. June sales amounted to more than $4 millions, North American's best total for June in history. Since Dec. 31 insurance in force with the company has increased by $9 millions, now stands at $270 millions.

* * *

New life insurance in the U. S. for the first half of 1942 showed an increase of 8.9% over the same period last year, it is reported by the Association of Life Insurance President. The report aggregates the new paid for business of 39 companies which have 81% of the total life insurance outstanding. In the first six months of the year their business was $4.111 millions against $3.773 millions in the first six months of 1941.

Change in Savings Regulations Will Increase Insurance Sales

Finance Minister Ilsley's announcement that he now proposes to allow new life insurance premiums to a limit of $100 a year to be deducted from forced savings was good news for insurance men.

They had been watching Ottawa anxiously since the budget came down, hoping for some such change in the original provisions. These permitted a deduction for premiums on insurance in force prior to June 23, but made no concession in the case of insurance written after that date.

It is understood a strong case was made in favor of the June 23 restriction being relaxed, so as to make it easier for more people, particularly young married men, to buy insurance protection.

In view of Ottawa's prolonged silence, many insurance men were worried, foresaw sales slumping sharply after September, when federal tax collectors will dip deeper into pay envelopes than ever before. The Finance Minister's statement this week completely altered the picture.

There is now every reason to believe that the volume of insurance sales, already very heavy, will be given added impetus, as most Canadians will prefer the alternative of buying insurance to having their money taken in forced savings.

At the same time two riders are attached to the amendment Mr. Ilsley is sponsoring—

1. The deduction on new policies will be allowed only if these are not of a type more expensive than "ordinary life."

2. It will only be allowed on 50% of the first year's premium, although it will apply to 100% of subsequent premiums up to $100 a year.

Insurance executives don't believe the fact that only half the first year's premium may be subtracted from compulsory savings will be any obstacle to sales, as this will be far outweighed by the desire of the average citizen to protect his family in the event of death. It is also felt that those who buy insurance in the face of this barrier will be more inclined to maintain their contracts.

The proviso that eligible policies may not be more expensive than the "ordinary life" type indicates that Mr. Ilsley was motivated by considerations other than the needs of the treasury, and realizes insurance is the best means of building up a substantial estate for the ordinary man.

In effect this is admission of a point that has been emphasized by insurance men — that current savings will not provide protection against the hazards of life and enable a man to leave his wife and children enough to prevent them becoming public charges unless the protective power of the savings dollar is multiplied through the insurance principle.

In the more expensive "savings type" of policy a larger proportion of insurance company receipts would have gone directly into the war effort in Victory Bond purchases. The interest rate the government pays on loans made through Victory Bonds is 3%, while the rate on loans through forced savings is 2%.

Translated into terms of ordinary life insurance, $100 a year will buy a man of 20 somewhere around $6,500 of protection, a man of 30 somewhere around $5,000 and a man of 40 around $3,500.

It is difficult to estimate what the change may mean in total insurance sales.

In his budget speech, Mr. Ilsley predicted that the net return from forced thrift would be $125 millions, after allowance had been made for "alternative contractual forms of payment."

Effect on Savings

The figure of $125 millions did not take into account the deduction which is now to be allowed on new insurance, but covered the deduction for insurance already in effect. Canadians paid $247.1 millions in life insurance premiums in 1940.

No basis is available for even a rough approximation of how much of the $125 millions will be diverted into insurance as a result of the change in the regulations. Some guesses—and they are just guesses—put it at more than 50%.

Tens of thousands in the lower income brackets in all probability will make no forced savings contributions at all, or very little, after they have taken advantage of alternative forms of thrift.

There are still a good many mechanical details to be settled—for instance, how adjustments for deductions are to be made with individual taxpayers in the light of new developments.

These are gradually being cleared up. There is some indication that a very small proportion of forced savings may be taken when taxes are collected at the source.

One of the most important factors in the whole situation is that the institution of insurance has been strengthened, that no new generation of Canadians will be prevented from getting insurance protection for their families.

Kansas Licenses Great-West Life

The Great-West Life Assurance Co. has just been licensed to do business in the state of Kansas. Within the last year it had been licensed in the adjoining state of Missouri, where it now has two branches.

For the present, R. C. Searle will be in charge of the Kansas area.

Weekly Bank Clearings

	July 16 1942 $	Change Year Ago %	July 9 1942 $
Halifax	4,151,927	+19.2	4,521,255
Saint John	2,246,341	+8.0	2,670,383
Moncton	939,930	+0.1	1,571,093
Sherbrooke	954,786	—16.8	1,081,572
Quebec	6,178,317	+7.4	6,677,372
Montreal	142,060,584	+16.6	150,039,348
Ottawa	47,665,161	+37.0	73,041,637
Kingston	807,517	+2.9	1,011,754
Peterborough	742,050	+6.8	885,434
Toronto	114,912,705	+1.8	160,394,902
Hamilton	7,246,938	+5.8	7,829,552
St. Catharines	1,282,607	—3.4	1,431,033
Kitchener	1,239,343	+0.8	1,429,982
Brantford	996,387	—7.2	1,336,856
London	2,813,161	—3.7	4,127,013
Chatham	638,160	+0.8	928,139
Windsor	4,644,213	+20.6	4,448,491
Sarnia	479,452	—8.2	531,700
Sudbury	1,203,683	+18.8	1,172,054
Fort William	1,228,717	+10.3	1,126,173
Winnipeg	41,904,243	—29.4	52,523,018
Brandon	529,389	+30.7	570,564
Regina	5,810,431	+36.8	6,100,364
Moose Jaw	722,121	+2.0	1,600,830
Saskatoon	1,667,785	+16.1	2,214,863
Prince Albert	494,918	+18.7	586,146
Edmonton	5,748,993	+21.1	6,982,206
Calgary	6,164,596	—1.1	6,589,379
Lethbridge	748,113	+42.3	719,054
Medicine Hat	353,969	+3.5	372,149
N. W'minster	970,500	+30.4	996,843
Vancouver	24,289,659	+26.0	28,255,016
Victoria	1,941,281	+5.0	2,257,213

Gain Of 30.3% In Life Sales

Every Province Shows Increase in June Over Same Month Last Year

June sales of life insurance in Canada and Newfoundland were up 30.3% above the same month last year, amounting to $43.9 millions as against $33.6 millions. An increase of $3.5 millions was shown over sales in May.

By provinces the largest increase was in British Columbia, where June insurance sales were 68.7% higher than those of June, 1941. New Brunswick sales were up 60.4% and Alberta sales were up 57%.

Ontario topped all provinces for volume, roughly $20 millions, but showed a percentage gain of only 31.1%.

The figures are supplied by the Life Insurance Sales Research Bureau and are based on the experience of 18 companies representing 85% of the new ordinary life insurance in Canada and Newfoundland. They are exclusive of increases, revivals, dividend additions, reinsurance and so on.

Life Insurance Sales in Canada and Newfoundland ($'000's)

	June		Incr.
	1942	1941	%
Alberta	2,429	1,547	57.0
Br. Columbia	3,219	1,908	68.7
Manitoba	2,410	1,945	23.9
New Brunswick	1,367	852	60.4
Nova Scotia	1,772	1,291	37.2
Ontario	19,972	15,226	31.1
Pr. Ed. Island	331	310	6.7
Quebec	10,426	9,167	13.6
Saskatchewan	1,431	1,073	33.3
Newfoundland	541	351	5.4
	43,898	33,670	30.3

Sales by Months 1939-1942 (000's of $)

	1939	1940	1941	1942
Jan.	28,767	33,726	28,326	43,081
Feb.	29,202	31,820	31,500	39,357
Mar.	31,710	30,265	33,700	35,876
Apr.	26,357	32,248	35,398	36,232
May	30,123	31,779	36,172	40,336
June	32,226	28,530	33,670	43,898
July	20,902	28,159	32,681	.....
Aug.	26,494	24,698	29,587	.....
Sept.	34,262	26,158	33,975	.....
Oct.	31,900	31,210	41,740	.....
Nov.	33,034	32,899	44,984	.....
Dec.	34,759	33,727	47,172	.....
Total	368,726	365,217	428,915	......

Refuses Request Of Auto Dealers

Ontario Refuses to License Them as Insurance Agents

A request by automobile dealers that they be licensed to sell automobile insurance has been turned down by the Ontario Government.

The application was supported by the Federation of Automobile Dealers Associations of Canada and more than 200 individual dealers. It was opposed by 12 insurance agents' associations, three insurance associations, two companies and 39 individual agents.

Making known the decision of the government, Attorney General G. D. Conant of Ontario stated:

"It has been the policy and practice of the insurance department of this government for some years to endeavor to improve the qualifications and standing of insurance agents by requiring, so far as possible, that licensed insurance agents be engaged solely in the insurance business as a full-time vocation. To grant your request would be a very distinct departure from this policy and would largely, if not entirely, destroy the efforts made in this direction. . .

"It would undoubtedly encourage persons or firms in other lines of business to request that they be licensed as insurance agents in similar manner, and it would be difficult to refuse such requests if the principle that licensing automobile dealers would involve had been established."

More Bank Notes In Circulation

An increase of $3.6 millions in bank notes in circulation is shown by the statement of assets and liabilities of the Bank of Canada for the week ended July 15. This followed a jump of $10.2 millions in notes in circulation recorded in the previous week, and brought the total to $554.1 millions.

The latest statement shows investments in government short-term securities of $519 millions, up $23.5 millions from July 8, while holdings of sterling and United States exchange dropped from $5.4 millions to $763,493.

Miscellaneous assets were down $2.8 millions.

	July 15 1942 $	July 8 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	554,136,511	551,527,493
Rest fund	5,585,705	5,585,705
Deposits: Dom.	22,925,240	19,997,234
Banks	244,837,962	215,079,088
Other	13,949,803	31,527,752
Total deposits	281,713,005	266,604,074
All other liabs.	12,778,352	10,439,751
Total liabs.	859,213,573	839,157,023
Assets		
In Sterling & U. S.	763,493	5,394,076
Subsid. coin	385,878	285,845
Investments:		
Dom. gov. sh.	519,060,836	495,515,937
Other Dom. gov.	327,054,449	323,201,316
Total invest.	846,115,285	818,717,253
Premises	1,893,572	1,887,842
All other assets	10,055,345	12,872,007
Total assets	859,213,573	839,157,023

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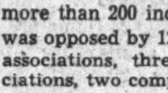

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you are obliged more than ever before to handle your affairs carefully.

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saves time — saves money — is safer — provides a record.

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1. For stay of one week or longer, $10 a day, per person, double occupancy. Includes room with bath, table d'hôte meals, golf, tennis, swimming in sulphur and cool water pools, concerts, ballroom.
2. Also unprecedented vacation rate for guests staying one month—as low as $250 for single occupancy or $225 per person double occupancy, for room with bath and meals.

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Attractive booklets, rates and reservations from your nearest Canadian Pacific agent.

Canadian Pacific

Always carry Canadian Pacific Express Travellers Cheques.

Your Income Tax

Payments of income taxes collected at the source begin in September. In this weekly column, The Financial Post answers problems you may have in connection with your income tax. In some cases, rulings have yet to be made, hence The Post can only cite informed opinion.

U. S. Tax Payable

What rate for American tax should be deducted from dividend cheques from American companies payable to Canadian residents? I have noticed some are deducting 27½% and others 15%. Which is correct?

The rate of American tax to be deducted from dividend cheques is 15%. It was formerly 27½%, but has now been set at the lower figure by international agreement. Taxes paid at higher rates are automatically refundable back to Jan. 1, 1941.

* * *

Gift to Friend

Would a gift of money to a friend to help defray the expenses of her husband's funeral be classed with a donation to an organized charity and be deductible when computing income taxes?

No. We understand gifts to be deductible from income when computing income taxes must be made to organized charities.

* * *

Son at College

I have a boy 18 years of age whom I intend sending to the university this fall. Will I be entitled to any allowance for him when paying my 1942 income tax? I notice the age for dependent children has been reduced from 21 to 18 years.

Yes, you will be allowed to deduct $80 from the amount of tax payable under the new schedule. Finance Minister Ilsley stated definitely that as long as the child is at school or college the parent is entitled to allowance for him up to 21 years of age. In other cases children are not considered dependents when they have passed their 18th birthday unless they are physically or mentally incapacitated.

* * *

Child Becomes 18

I have a child whose 18th birthday came in June. He is not going back to school but after he has a holiday is going to start to work. Will I be allowed any concession for him on my income tax?

Yes, you will be allowed to deduct $80 from the total amount of tax payable on your 1942 income. In a case such as yours, income tax authorities usually give the full allowance for the year. On your 1943 income, however, as the child will be over 18 you will be allowed no concession.

* * *

Life Insurance on Wife

I notice the budget allows income taxpayers to deduct life insurance premiums from their compulsory savings. Does this apply only to life insurance policies on the taxpayer's own life or will it apply also to policies on the lives of his wife and children on which he pays the premiums.

While this has not been made clear by the authorities, it is presumed that any life insurance premiums paid by the taxpayer on contracts in force before June 23 are deductible from tax payable.

* * *

Supports Sister

I am 40 years of age and unmarried but live in an apartment with an invalid sister whom I support. Am I entitled to any exemption on her account?

Yes. Because you live in a self-contained domestic establishment, and support your sister who is a blood relation and wholly dependent, you are entitled to the 7% rate for the normal tax. On the tax payable under the graduated scale you are entitled to a deduction of $150 equivalent to that allowed a married person.

* * *

Married in September

I expect to get married in September. What effect will this have on my income tax payments? Do I get allowance as a married man for part of the year, or the whole?

You will be counted as a married man for the whole year. The income tax authorities in the past have given the individual the benefit of the married status for the whole year in such circumstances. There seems to be no reason to expect this policy will be changed.

* * *

Charitable Donations

Every year I pay substantial amounts to my church and to certain charitable causes such as the Red Cross, etc. Do I still get an allowance on income tax for these?

Pending official interpretation of the new income tax regulations, it is understood you are entitled to deduct these contributions from your income when computing your income tax. It is desirable in such cases to attach receipts for the amounts to your income tax return.

WAR CALLS FOR THRIFT

When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

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Do Not Attempt To Draw Up Your Own Will

Lest your estate be dissipated by costly contests, consult a capable, experienced attorney about your will. It is neither wise, nor economical to attempt drawing that most important document without competent legal advice.

We will gladly give to you and your attorney any additional information which you may seek in connection with Trust Company administration. A member of our staff is at your disposal should you care to discuss the services of a Trust Company.

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TORONTO

U. S. Demands Clean Up Free Dollar Supply

Unofficial Rate Holds Close to Official Rate on Canadian Dollar

More than normal strength has been shown in the unofficial market for Canadian dollars in New York recently. For some weeks past, the unofficial rate on Canadian dollars in the United States has shown a discount sometimes below the official buying rate, but above the official selling rate.

This is the time of year when it is normal for the Canadian dollar to reach its best exchange rate, although the opportunity for normal influences to bear on the matter have been limited since the foreign exchange control board took over in Sept., 1939.

This year new factors are aiding the normal demand from tourists at the present season. United States military and naval projects in Canada mean that large numbers of Americans are living in this country. The United States Post Office, it is understood, has been a heavy purchaser of Canadian dollars recently, probably to cover remittances to members of the American army stationed or working in Canada.

Pay of U. S. military forces in Canada is transferred into Canadian dollars through official channels. The U. S. treasury issues a cheque which is mailed from Washington to the Foreign Exchange Control Board in Canada and Canadian dollars made available for the pay. But remittances made by families of men in Canada would come through the United States Post Office. This organization obtains its Canadian dollars in the open market so long as sufficient amounts are available.

Clean Up Free Market

It is recognized now that Canada's tourist business this year is going to be considerably less than in recent years. But it appears that these new factors are taking up a lot of the slack and cleaning up the available supply of Canadian dollars in the open market.

There is little chance that the open market rates will go more than fractionally above the official rate. There will be little sense for an American to pay more for Canadian dollars in the open market than he could get them for through official channels. If the rate did move up above the official quotes, it would indicate that U. S. speculators are gambling on a quick raise in the official rate.

Whether or not this move would have any influence on determining a change in the official rate, is difficult to state, but it seems doubtful if it would be important. Ever since the Foreign Exchange Board got its operations properly organized, the amount of Canadian dollars available through the open market has been limited. At times either the purchase or sale of amounts as small as $25,000 would be sufficient to move the open market exchange rate up or down a point or more.

Canadian Securities Helped

Undoubtedly, this strength in the Canadian dollar in New York has been an important factor in influencing prices of Canadian securities which were traded in the United States.

These securities are traded on a discount basis determined by supply and demand factors and also influenced by the exchange rate. Currently the discount on Canadian high grade bonds payable in Canadian funds in New York is around 10 to 11%. On corporation bonds it would be about 17%. At the end of last year this discount ranged up to 30% or even more in the case of stocks.

New Books . . .

Charting the New World

THE NETHERLANDS INDIES AND THE UNITED STATES, by Rupert Emerson. Published by World Peace Foundation, Boston. One volume in the "America Looks Ahead" series. Price, cloth, 50c.; paper, 25c. (U. S.)

This newest addition to an immensely useful and readable series has particular interest because of the importance of the Netherlands Indies to every consumer on this continent. Two years of war over the Atlantic interfered with our eating and living habits on this continent less than two weeks of war over the Pacific.

Mr. Emerson's conclusion: "The United States has a very definite interest in preserving the Indies and their neighbors from hostile domination, but for this purpose as for others the American interest is best served by internationalizing it."

He reaches this conclusion after an interesting study of imperialism and government control from the Netherlands. He finds that a very great deal of the economic development of the region has been done by other than Netherlands capital and that the Dutch import share in the islands had been falling steadily and in the years 1925-29 amounted to only 17.6%. He adds:

> "In the early thirties it appeared as if it could only be a short period before the Japanese, already established as the largest single importers of the Indies, would take over virtually the entire (textile) market."

Very interesting is the author's evidence that Japanese infiltration has been going on for years and with a deliberation which seems to suggest a concerted policy.

For the future of the islands generally, he says:

> "It appears that an enlightened external control, undertaken on behalf of the international society will continue to be a necessity for some time to come, but it must take as its guiding principle the task of making the Indonesians the masters of their own destiny as rapidly as possible."

B. C. Telephone Co. and subsidiary companies report 151,113 telephones in service at May 1 this year. This compares with 148,429 at Jan. 1, 1942 and 138,119 at Jan. 1, 1941. C. B. Diplock, formerly assistant general manager, has been named general manager of the company.

Investment Supervision

Market records tell a revealing story of the need for constant supervision of investments. Some investments, generally considered "gilt-edged" only a few years ago, now have little or no market value. Others, which had little apparent value, have since shown themselves sound investments. This change speaks loudly for the need of continuous care and supervision by a well-organized and experienced executor to safeguard the investments of your estate.

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Imperial Tobacco

We would appreciate having your comments on the position of the Imperial Tobacco Co. of Canada. We are interested in the common stock.

Imperial Tobacco Co. of Canada is by far the largest tobacco operator in the Dominion. Over a period of many years it has built up a well-established earning power and the common stock is highly regarded as an investment.

Since the war started, taxation of tobacco has been very heavily increased by the Dominion Government. Some of the provincial governments also have imposed special taxes on the sale of tobacco. Despite these adverse features, the sale of tobacco products has steadily increased. While the new rate of corporation tax may make it difficult for the company to maintain its present dividend and bonus, over the long term. investment in this company's stock should prove satisfactory.

Bathurst

Will you please let me have a report on the dividend rights in respect to the class A stock of Bathurst Power & Paper Co.

Bathurst Power & Paper Co. class A stock is entitled to non-cumulative dividends at rate of $2 a share per annum. Whenever in any year $2 a share shall have been paid on the class A stock, further dividends declared in such year shall be paid equally with the B stock until the class A stock receives dividends aggregating $4 for such year.

All additional dividends declared in that year shall be paid on the class B stock only. As you will see, the class A stock has preference over the class B stock in respect to dividends up to $2 a share. The company has no liability if payments on the class A shares fall below $2.

Dosco

Will you be kind enough to let me have your opinion on the position of Dominion Steel & Coal Corp. and how it is shaping up to meet postwar problems?

Dominion Steel & Coal Corp. has been operating at capacity for many months. Its volume of business and production is of record proportions. Net profit on the B stock in the last two years has shown little change, amounting to $1.12 a share. No dividends have been paid on the stock. At the annual meeting in May the president pointed out while working capital position had improved, expanding operations had still to be financed through bank loans and, because of this, dividends could not be justified.

With the new tax regulations it is unlikely any dividend action will be taken.

As far as the long-term outlook is concerned the management has made considerable progress strengthening the position of the company. Plant facilities have been greatly improved and working capital strengthened to a point where the company is in a comparatively strong position to cope with postwar problems.

Imperial Oil

From the standpoint of dividend returns and capital appreciation how do shares in Imperial Oil now rank?

Imperial Oil Ltd. at today's prices yields a relatively attractive return from the 50 cents a share dividend now being paid. This dividend marks a substantial reduction from the peak of $1.25 a share formerly paid, but is probably a more realistic approach to the company's earning ability and as such gives more confidence that it can be maintained.

This company is Canada's leading refiner and distributor of petroleum products. It has extensive interests in the production of crude oil both in western Canada through Royalite Oil and in South America through International Petroleum. In recent years, more than half of the company's income has come from dividends received from its various subsidiaries. There seems little change in the outlook for operations in the crude oil producing field in western Canada. In South America, International Petroleum has been obtaining reasonably good results in its various operations with particular promise in a newer venture in Venezuela.

For operations in Canada of the refining and distributing units, the war has brought considerable changes. There seems little likelihood of earnings expansion from this source so long as such factors as gasoline rationing and inability to obtain adequate crude oil supplies continue. It can be accepted that operations will be as near capacity as available crude oil supplies will permit.

The postwar outlook appears reasonably favorable and it seems likely that operations of Imperial Oil would require relatively small change with return to peace. The company's shares may not show much appreciation so long as wartime uncertainties are so marked, but they should continue to be readily marketable and should provide a reasonable return on capital invested at current levels.

Distillers' Corp.-Seagrams Ltd. advise Montreal Stock Exchange that during June 100 shares of the 5% preferred stock were purchased for retirement and cancellation. At the end of last month there were 164,600 shares of preferred outstanding.

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TIRES *kept going... keep workers* "ON TIME!"

● Unreliable tires can hold up production on a bomb or a bomber just as surely as a lack of raw materials. Workers must be "on time" too!

Today it is vitally important that those who work in war industries, make sure their tires are kept in top-notch *going* order . . . just as long as possible.

The way to be sure of getting *all the mileage* that the manufacturer built into your tires is by following certain simple driving rules faithfully and by providing for systematic, skilful tire service.

You can observe the driving rules yourself. Regular tire care is another matter. Hit and miss methods won't do.

The Goodyear Tire-Life Extension Plan offers you week-to-week service for a year, which provides, at low cost, for special tire conservation services by experienced firemen. No other plan of tire care can do as much for you.

Signing up for this plan, before tires are beyond saving, may mean the *extra* use of your car for months, perhaps a year, or even longer.

Thousands of motorists, who depend on their cars to take them to and from their work, are using the Goodyear Tire-Life Extension Plan. Already accommodation is becoming limited. Make sure of your tires . . . see your Goodyear dealer today!

IF YOU ARE ELIGIBLE FOR NEW TIRES . . . here is our advice to you!

Replace your worn out tires with big-mileage Goodyears and LifeGuards. The LifeGuard is a reserve safety-tire within an extra-sturdy tube. Should casing and tube be injured, the LifeGuard's inner tire carries you to a safe, easy straight-line stop. LifeGuards not only prevent blowout accidents . . . they also enable you to get the last mile out of your tires in complete safety.

GOODYEAR
TIRE-LIFE EXTENSION PLAN
N19

THIS IS THE LIFEGUARD

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 20

Range 1942 High	Low	Div. R'te $	Jly 18 Y'ld %	Stock	Sales	Last July 13	Week end. July 20 H	L	Cl'se
				A					
.75	.40	*	...	Abitibi	35	.50	.50	.50	.50
7	4	*	...	Do. pref. 6%	800	5	5½	5	5½
25	13	*	...	Do. pref. 7%	125	13½	14	13	14
3	3	.	...	Acme Glove	....	(3 bid 3½ asked)			
60	50	6.50	12	Do. pref.	....	(— bid — asked)			
13	11½	80+20c	6.7	Agnew Surp.	....	(11 bid 12 asked)			
110	106½	7	6.6	Do. pref.	....	(106½ bid — asked)			
.90	.75	.	...	Alta. Pac. Gr.	....	(— bid .85 asked)			
27	21½	.	...	Do. pref.	20	25	27	25½	25½
9½	8	.	...	Algoma Steel	100	8	8	8	8
84	82	5	6	Do. pref.	....	(83 bid 86 asked)			
109	89½	8+2	11.1	Aluminium	195	91½	91	89½	89½
118	112	6	5.1	Do. pref.	....	(117 bid — asked)			
7½	6	50c	..	Amal. Electric	....	(6 bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
42	40	2.75	6.7	Ang. Can. Tel p	....	(— bid 44 asked)			
19	17	80+40c	7	Asbestos	445	17½	17½	17½	17½
18½	13½	1.75	12	Assoc. Brew.	30	14½	14½	13½	13½
112	109½	7	6.3	Do. pref.	....	(111 bid — asked)			
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	96c	...	Do. pref.	....	(— bid 22 asked)			
102½	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			
				B					
150	142	8	5.4	Bk. Can. Nat.	7	148	148	148	148
189	165	8	4.7	Bk. Montreal	85	170	171	165	165
275	269	12	4.4	Bk. N. Scotia	2	270	270	270	270
255	225	10	4.4	Bk. Toronto	....	(225 bid — asked)			
8½	8½	35c	...	Barber Ellis	....	(6 bid — asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.50	.	...	Barker's Bread	100	1.00	.85	.85	.85
18	12	.	...	Do. pref.	....	(14½ bid 15 asked)			
14½	11½	1+25c	10½	Bathurst Pr.	255	12½	12½	11½	12
2.25	1.00	.	...	Do. (B)	7	1.50	1.00	1.00	1.00
6	3½	80c	...	Beath & Sons	....	(5 bid 7 asked)			
8	6½	.	...	Beatty Bros.	....	(6½ bid 9 asked)			
110	102	6	5.4	Do. pref.	....	(— bid 5 asked)			
95	76	7	7.4	Do. 2nd pref.	....	(95 bid 100 asked)			
9½	9½	.	...	Beauharnois	170	9½	9½	9½	9½
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			
124	115	7	6	Do. pref.	....	(115 bid — asked)			
150½	134	8	5.9	Bell Telephone	413	137	137	135½	136½
7	6½	30+10c	..	Bertram & Sons	....	(6½ bid — asked)			
7½	6½	60c	8.9	Biltmore Hats	....	(6 bid 6½ asked)			
3	2½	.	...	Blue Ribbon	....	(2½ bid 3 asked)			
31½	25	2.50	10	Do. pref.	10	26½	25	25	25
10½	10½	60c	5.6	Blue Top Br. A.	....	(10 bid — asked)			
10½	8	.	...	Do. "B"	....	(9 bid 10 asked)			
3½	3	.	...	Brand. Hender.	....	(3 bid — asked)			
21	20½	1.30	6.2	Brant. Cord. pf.	7	20½	21	21	21
10	6	40c	...	Brazilian Tr.	2526	8½	9½	8½	9½
5½	3½	50+10c	..	Brew. & Distil.	186	4½	4½	4½	4½
†6½	6½	.	...	Bright, T. G.	....	(6½ bid — asked)			
†90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18	13	1	6.6	Brit. Amer. Oil	1810	15½	15½	14½	14½
16	12	1.50	...	B. C. Packers	....	(13½ bid — asked)			
22	17	2	9.5	B. C. Power A.	50	22	21½	21	21
1.25	.75	.	...	Do. (B)	50	1.00	1.00	1.00	1.00
6	4½	20c	...	Bruck S. Mills	....	(4½ bid 5 asked)			
14	11½	70+10c	6.2	Building Prod.	675	12½	13	12½	12½
8½	7½	60c	7.5	Burlington Stl.	....	(7½ bid 8 asked)			
				C					
..	•..	.	...	Caldwell Linen	....	(4 bid — asked)			
23½	23	1.50	6.5	Do. 1st pref.	25	23½	23	23	23
9½	9½	80c	8.4	Do. 2nd pref.	10	9½	9½	9½	9½
‡70	70	.	...	Calgary Power	....	(— bid — asked)			
102	98	6	6	Do. pref.	90	99	99½	99½	99½
2½	1½	.	...	Canada Bread	25	2	1½	1½	1½
103	98½	6	6	Do. pref.	....	(98½ bid — asked)			
46	30	2.50	6.5	Do. pref. B.	....	(34 bid 40 asked)			
5½	5	40c	6.9	Canada Bud	50	5½	5½	5½	5½
5	3½	.	...	Canada Cement	550	4½	4½	4½	4½
102	95½	6.50	6.7	Do. pref.	....	(— bid 99 asked)			
†5½	5½	.	...	Can. Cr. Stone	....	(3½ bid — asked)			
106	102	5	4.8	Canada Cycle, p	5	105	104½	104½	104½
20½	15	1.50	10	C. & D. Sugar	660	16	15½	15	15
19	15	1.50	8.4	Can. Forg. (A)	....	(— bid 20 asked)			
19½	18½	1.50	7.8	Do. (B)	....	(17 bid — asked)			
60	50	6	...	Can. Iron	....	(50 bid — asked)			
80½	80	6	7.5	Do. pref.	....	(75 bid — asked)			
38	33	2+50c	7.2	Can. Malting	....	(34 bid 35 asked)			
5½	4	60c	12.6	Can. Nor. Pr.	20	4½	5	5	5
88	78½	7	8.2	Do. pref.	48	88	85	85	85
87	74½	4	5.1	Can. Packers	10	77	79	79	79
126	115	8	6.9	Can. Perman.	13	118	116	115	116
9	8½	50c	...	Can. Starch	....	(8½ bid — asked)			
113	111	7	6.2	Do. pref.	....	(111 bid — asked)			
7½	5	.	...	Can. Steamsh's	258	6	6½	6½	6½
29½	25½	2.50	8.9	Do. pref.	242	27½	28	27	27½
7½	4½	40+10c	9	Can. Vinegars	35	4½	5½	5½	5½
57	49½	4	8	Can. W. Cable	25	49½	49½	49½	49½
24½	18½	2	10.2	Do. (B)	....	(18 bid 20 asked)			
108	105	6.50	6.1	Do. pref	....	(106 bid — asked)			
1.75	80	.	...	Can. Bakeries	....	(1.25 bid 2.00 asked)			
60	48½	‡7.50	...	Do. pref.	10	54	51	51	51
154	140	8	5.6	Can. Bk. Com.	90	143	143	142	142
1.45	1.00	.	...	Can. Breweries	....	(1.00 bid 1.15 asked)			
31	23	3.40	12.1	Do. pref.	65	28	28	28	28
32	27½	1.50+50c	6½	Can. Bronze	6	28½	30	30	30
105½	105	5	4.8	Do. pref.	....	(105 bid — asked)			
6	4½	50c	8.6	Can. Canners	....	(5½ bid 5½ asked)			
22	16	1+20c▪	6.5	Do. 1st pfd.	110	19	19	18½	18½
9½	8	60+20c▪	9	Do. 2nd pfd.	5	8½	8½	8½	8½
7	4½	.	...	Can. Car & F'y	600	6½	6½	6½	6½
26	21½	1.75	6.8	Do. pref.	190	25	26	25	25½
27½	21½	1+1	8.5	Can. Celanese	45	23½	23½	23½	23½
125½	120	7+1.15▪	6½	Do. pref.	5	120½	121½	121½	121½
23	22½	1	4.4	Do. Rights	....	(22 bid — asked)			
17½	15	2	13.3	Can. Convert.	....	(15 bid — asked)			
102½	100	4+2	6	Can. Cottons	15	101	100	100	100
116	113	6	5.2	Do. pref.	10	115	115	115	115
14½	9½	.	...	Can. Dredge	25	11½	11½	11	11
100	98	6	6.1	Can. Fairb. pf.	....	(98 bid — asked)			
18	15	‡1.90	...	Can. For. Inv.	20	17½	17½	17½	17½
105	105	8	7.6	Do. pref.	....	(105 bid — asked)			
215	208½	8	3.7	Can. Gen. Elec.	....	(151 bid 215 asked)			
7½	6½	50c	7.2	Can. G. Inv.	....	(7 bid 7½ asked)			
3½	3	10c	...	Can. Ind. Alc.	170	3½	3½	3½	3½
3½	2	10c	...	Do. (B)	15	2½	3	3	3
167	140	6	4.2	Can. Indust. B.	....	(143 bid 144 asked)			
175	155	7	4.4	Do. pref.	....	(150 bid 158 asked)			
.30	.15	.	...	Can. Int. I. Tr.	....	(.10 bid .15 asked)			
40	39	2	...	Do. pref.	....	(39 bid — asked)			
13	12	1	8	Can. Lt. & Pr.	....	(12½ bid — asked)			
9	7	.	...	Can. Locomo.	....	(8½ bid 9½ asked)			
.60	.45	4c	...	Can. Marconi	....	(.50 bid .60 asked)			
15	10	50+70c	12	Can. Oil	....	(19½ bid 21 asked)			
123	115	8	6.9	Do. pref.	5	115	115	115	115
6½	5	.	...	Can. Pacific	2574	5½	5½	5½	5½
.35	.10	.	...	C. Pr. & Pa. In.	....	(.15 bid .20 asked)			
1.50	.40	.	...	Do. pref.	....	(1.25 bid 2.00 asked)			
3½	2	.	...	Can. Vickers	....	(2½ bid — asked)			
27½	20	.	...	Do. pref.	65	27	27	24½	24½
9½	9	1	...	C. Wallpaper A.	....	(9½ bid — asked)			
10	8	1	...	Do. (B)	....	(9 bid 13 asked)			
42½	40	2	5	Can. West'ho'se	....	(38½ bid 39½ asked)			
20	17½	1.50+37½▲	8	C. Wire Box	10	17½	18	18	18
1.20	.90	.	...	Capital Estates	90	1.00	1.01	1.01	1.01
121	116½	5	4.3	Carnation, pfd.	....	(116 bid — asked)			
6½	5	.	...	Catelli Food	....	(— bid 6 asked)			
10	8	75c	...	Do. pref.	....	(— bid 10 asked)			
†2.00	1.50	.	...	Celtic Knit	....	(1.50 bid — asked)			
†155	145	8	5.5	Cent. Can. L'n.	....	(90 bid 130 asked)			
95	80	4	4.2	Chart. Trust	....	(— bid 93 asked)			
3½	2½	.	...	Ch. Gai Wines	....	(2½ bid 3 asked)			
12½	.06½	.	...	Chem Research	....	(.06 bid .10 asked)			
.25	.20	.	...	City Gas & El.	....	(.15 bid .20 asked)			
.05	.05	.	...	Claude Neon	....	(— bid .05 asked)			
1.42	1.10	12c	...	Coast Brew.	....	(1.05 bid 1.15 asked)			
6½	5	50c	...	Cockshutt Plow	125	5½	5½	5½	5½
2.37	1.90	15c	...	Comm. Alcohol	200	2.00	2.25	2.25	2.25
6½	5½	40c	...	Do. pref.	....	(6 bid 6½ asked)			
3½	3½	25c	..	Conduits Nat.	....	(3½ bid 4½ asked)			
10½	9½	60c	6.1	Cons. Bakeries	50	9½	9½	9½	9½
.02	.01	.	...	Cons. Div. Sec.	....	(.01 bid .05 asked)			
7½	6	75c	...	Do. pref.	....	(5 bid — asked)			
2.37	1.60	.	...	Cons. Paper	2410	1.80	1.75	1.65	1.65
4	2	.	...	Cons. Press	50	4	3	3	3
81½	76	3.50	...	Cons. Sand, pf.	....	(75 bid 80 asked)			
39	34½	1+1.50	7.2	Cons. Smelt.	1352	35	35½	34½	34½
132	110	8	7	Consumers' Gas	20	113½	115	113½	113½
69	50	5.25	...	Corr. P. Box, p.	....	(57 bid 60 asked)			
22	18	1.20+15c	6	Cosmos Imp.	10	21½	22	22	22
24½	20	2	...	Crown Cork	....	(20 bid 21 asked)			
1.50	1.25	.	...	Crown Dom Oil	25	1.30	1.25	1.25	1.25
34½	27½	3	10.5	Crow's N. Coal	....	(27 bid 28½ asked)			
.70	.35	.	...	Cub Aircraft	400	.40	.40	.40	.40
				D, E					
10½	9½	1+15c	...	David & Fre. A	....	(9 bid 10 asked)			
1.50	1.50	.	...	Do. (B)	....	(.75 bid 1.50 asked)			
7	7	.	...	de Havilland	....	(— bid 6½ asked)			
80	75	7+3.50▲	8½	Do. pref.	....	(66½ bid — asked)			
1.15	1.00	.	...	Disher Steel	....	(— bid 1.00 asked)			
10	8	1.50	...	Do. pref.	....	(8 bid 11½ asked)			
26½	21	2.22	9.5	Distill - Seagram	515	23½	23½	23	23½
97½	90	5	5.5	Do. pref.	15	90	91	90	91
†30	30	4	...	Dom. Ang. Inv.	....	(22 bid — asked)			
†75	70	5	6.7	Do. pref.	....	(75 bid 84 asked)			
181	169	10	5.9	Dom. Bank	21	171½	169	169	169
24	22	1.20	5.1	Dom. Bridge	233	23½	23½	23	23
15½	10	.	...	Dom. Coal, pf.	50	10½	10½	10	10½
25	18	.	...	Dom. Engineer.	125	19	19	19	19
19	16½	1+25c	6½	Dom. Foundries	200	19	18½	18½	18½
106½	103½	6	5.6	Do. pref.	....	(105 bid 110 asked)			
115	110	5	4.3	Dom. Glass	....	(113 bid — asked)			
152½	150	7	4.7	Do. pref.	....	(150 bid — asked)			
25	22	1.20+40c	7	Dom. Oilcloth	52	22½	22	22	22
.60	.50	.	...	Dom. Scot. Inv.	....	(— bid 1.00 asked)			
24½	23	2	...	Do. pref.	10	23½	23	23	23
1½	1½	.	...	Dom. Square	33	1½	1½	1½	1½
9½	5½	.	...	Dom. St. & C.B.	771	8½	8½	8½	8½
5½	3½	10c	...	Dom. Stores	120	5	5	5	5
4½	3	.	...	Dom. Tar & Ch.	625	4	4½	4	4½
88	85	5.50	6.2	Do. pref.	....	(84½ bid 90 asked)			
82½	71	5	7	Dom. Textile	230	73	71	71	71
154	150	7	4.7	Do. pref.	....	(150 bid — asked)			
1.25	.60	.	...	Dom. Woollens	....	(1.05 bid — asked)			
8	6½	60c	8.3	Do. pref.	100	7½	7½	7½	7½
4	2	‡10c	..	Donnacona P.	100	3	3	2½	2½
6	3½	.	...	Dryden Paper	150	4½	4	4	4
†.50	.50	.	...	East Koot. Pr.	....	(— bid — asked)			
8	6	.	...	Do. pref.	....	(6 bid 9 asked)			
.50	.25	.	...	East Dairies	....	(.35 bid 1.00 asked)			
10	6½	.	...	Do. pref.	....	(6 bid 9 asked)			
12	10	1	...	East Steel	....	(11 bid 13 asked)			
6½	6½	.	...	East Theat.	....	(6 bid — asked)			
3	2½	.	...	Easy Washing	....	(2½ bid 3 asked)			
25	25	1.37½	...	Economic Inv.	....	(20 bid 25 asked)			
4½	2½	.	...	Electrolux	....	(4½ bid 6 asked)			
3½	2½	.	...	Enam. & Heat.	385	2½	2½	2½	2½
20½	20	2.50	12.5	English Electric	....	(— bid 24½ asked)			
3	1½	.	...	Do. (B)	50	3	3	3	3
5	4½	15c	...	Equitable Life	....	(5½ bid 6 asked)			
				F, G					
2½	1½	.	...	Fairchild Air	200	2	2½	2½	2½
18½	16	1	6.2	Fam. Players	10	16	17	17	17
22½	15	1.50+25c	10	Fanny Farm.	205	17½	17	17	17
3½	2½	.	...	Fleet Aircraft	210	3	3	2½	2½
.20	.20	.	...	Fleury Bissell	....	(.20 bid .50 asked)			
10	10	.	...	Do. pref.	....	(10 bid 14 asked)			
18½	14½	1	5.5	Ford Motor A.	1137	18½	18½	18	18
18½	14½	1	5.7	Do. (B)	1	18½	17½	17½	17½
.15	.15	.	...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	12	‡85+50c	...	Foundation Co.	....	(12 bid 13 asked)			
13	7	.	...	Fraser Cos.	50	10	9½	9½	9½
13½	9	.	...	Do. Vot. Tr.	29	9½	9	9	9
.50	.50	.	...	Freiman	....	(.50 bid — asked)			
55	55	‡4.50	...	Do. pref.	....	(55 bid — asked)			
8½	4½	60c	10	Gatineau Pwr.	62	6	6½	5½	6
77½	61½	5	6.8	Do. pref.	78	70½	74	71½	74
80	70	5.50	7.3	Do. 5½% pref.	7	80	75	75	75
†1.25	.25	.	...	Do. Rights	....	(— bid .20 asked)			
6½	5	30c	...	Gen. St. Wares	90	6	5½	5½	5½
92	85½	7+53c▪	8½	Do. pref.	....	(85½ bid 86 asked)			
60	31½	2.50+2.50		Goodyear Tire	10	42½	42½	42½	42½
50	39	2.50	5.2	Do. pref.	60	48	48	47½	48
†67	67	1	...	Gould Pumps	....	(— bid — asked)			
†4	2½	.	...	Gt. Lakes Pap.	....	(— bid 3½ asked)			
†16	16	1.50	...	Do. pref.	....	(— bid 20 asked)			
2½	1	.	...	Do. Vot. tr. c.	60	1½	1½	1½	1½
16½	11	1.50	...	Do. Vot. tr. p	70	13	13	12	12
4½	4	.	...	Gt. W. Saddlery	....	(3½ bid 4 asked)			
28	24	3	...	Do. pref.	....	(21 bid — asked)			
11½	10	60c	6	Greening Wire	....	(10 bid 12½ asked)			
‡1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
3	2	.	...	Gurd, Chas.	5	3	3	3	3
70	70	.	...	Do. pref.	....	(70 bid 75 asked)			
3½	2½	.	...	Gypsum, Lime	905	3½	3½	3½	3½
				H, I					
14½	14½	1	...	Halifax Fire	....	(15 bid — asked)			
3½	2	.	...	Ham. Bridge	210	3½	3½	3½	3½
36	28	2	6.7	Ham. Cot., pf.	....	(— bid 34 asked)			
1.50	.65	.	...	Ham. U. Theat.	....	(.50 bid 1.40 asked)			
75	73	5	6.8	Do. pref.	....	(53½ bid 75 asked)			
3½	2½	20+10c	..	Harding Carpet	400	3½	3	3	3
14	9½	‡50c	..	Hinde & Dauch	50	13	12½	12½	12½
5	5	.	...	Holt Renfrew	....	(— bid — asked)			
65	40	.	...	Do. pref.	....	(— bid 70 asked)			
19	16	2	11.4	Honey Dew	....	(17½ bid 18 asked)			
14	9	.	...	H. Smith Pap.	50	9	9	9	9
100	96½	6	6.2	Do. pref.	15	98	97½	97	97
9½	3	.	...	Humberstone S	....	(4 bid 6 asked)			
8½	6½	.	...	Hunts (A)	....	(— bid 6 asked)			
8½	7	.	...	Do. (B)	....	(— bid 8 asked)			
55	46	4	8.2	Huron & E. Mt.	10	48	49	49	49
8	7	80c	...	Do. 20% pd.	25	7½	8	8	8
1.00	.75	.	...	Hydro Electric	....	(.20 bid 1.00 asked)			
204	170	10	5.9	Imperial Bank	7	172½	170	170	170
†275	275	15	...	Imperial Life	....	(— bid 275 asked)			
9½	7½	50c	5.6	Imperial Oil	4164	9	9½	8½	9
12½	9½	40+17½c	5½	Imperial Tob.	1690	10½	10½	9½	10½
7½	6½	6%	4.5	Do. pref.	410	6½	6½	6½	6½
..	..	50+10c	..	Imp. Varnish	....	(8½ bid 9½ asked)			
27½	27½	1.50	5.4	Do. pref.	....	(27½ bid 28½ asked)			
9½	6½	.	...	Indust. Accept.	....	(8½ bid 8½ asked)			
25	22	3	...	Inter-City Bak.	....	(25½ bid 35 asked)			
†50	39	‡5	...	Inter'c Coal	....	(— bid — asked)			
‡120	120	8	...	Do. pref.	....	(— bid — asked)			
12½	10	1.50	13.6	Inter. Bronze	....	(11 bid 11½ asked)			
22½	20	1.50	7	Do. pref.	....	(22 bid 22½ asked)			
.25	.25	3c	..	Int. Coal & C.	....	(.26 bid .40 asked)			
7½	5	.	...	Int. Metal Ind.	75	6	6	5	5
99	85	6	...	Do. pref	....	(90 bid — asked)			
92	90	6	6.7	Do. pref. A.	....	(— bid 90 asked)			
115	111	5	4.4	Int. Mill., pf.	....	(112 bid 115 asked)			
36½	29	2	6.7	Int. Nickel	2302	30	30	29½	29½
157½	143	7	...	Do. pref.	....	(— bid — asked)			
1.50	1.05	.	...	Int. Paints	....	(1.60 bid 2.00 asked)			
15	13	1+25c▲	7½	Do. pref.	....	(12 bid 15 asked)			
16	13½	.	...	Int. Pap. & P.	....	(— bid — asked)			
65	57½	5	8.7	Do. pref.	....	(— bid 60 asked)			
13½	11	1	7.5	Int. Pete.	1675	13	13½	13	13½
2½	2	.	...	Int. Power	....	(2 bid — asked)			
90	85	7	7.9	Do. pref.	82	88	89	88	89
•11½	10½	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4 asked)			
3½	2	.	...	Int. Util. (A)	50	2	2	2	2
.15	.03	.	...	Do. (B)	50	.10	.03	.03	.03
				J, K, L					
†13	13	68c	...	Jam. Pub. Ser.	....	(— bid 12½ asked)			
115	100	7	7	Do. pref.	....	(100 bid — asked)			
8½	7	.	...	Kelvinator	....	(6½ bid 7 asked)			
10	5	.	...	L. St. John Pr.	....	(5½ bid 6 asked)			
17½	14½	1.20	7	Lake of Woods	365	17	17½	16½	16½
118	113	7	5.9	Do. pref.	15	118	118	118	118
48	47	4	8.4	Landed Bank	....	(47½ bid 54 asked)			
12	8	70+30c	11	Lang, J. A.	....	(8½ bid 10½ asked)			
*3.50	2.50	.	...	Langley's	....	(— bid — asked)			
23	20	2	...	Do. pref.	5	23	22	22	22
10½	6½	80c	10	Laura Secord	425	7½	8	7½	8
9½	8	.	...	Legare, pref.	....	(8 bid — asked)			
3	2½	10c	...	Levy Bros.	100	3	2½	2½	2½
6½	5	.	...	Lindsay, C. W.	10	6½	6½	6½	6½
54	50	2	...	Do. pref.	....	(50 bid — asked)			
25½	19½	1+25c	5.9	Loblaw (A)	340	21½	21½	21	21
23½	18½	1+25c	6.6	Do. (B)	150	19½	19½	19	19
				M					
1.00	1.00	.	...	Mackenzie Air	....	(— bid — asked)			
2	½	.	...	Mackin. Steel	....	(— bid — asked)			
65	60	5	7.7	Do. pref.	....	(55 bid 75 asked)			
16	12½	25c	...	Maclaren Pr.	300	12½	14	14	14
7	5	.	...	M. L. Gardens	....	(5 bid 6½ asked)			
6	4½	40c	8	Do. pref.	....	(5 bid 6 asked)			
3.00	1.50	.	...	Maple Leaf M.	311	1.80	1.90	1.75	1.90
5½	3	.	...	Do. pref.	25	5	5½	5½	5½
15½	15	80+2½c	5	Maritime Tele.	....	(15½ bid — asked)			
17	17	70c	4.1	Do. pref.	....	(— bid 17 asked)			
†18	14½	.	...	Marcus Loew's	....	(20 bid — asked)			
95	95	7	7.4	Do. pref.	....	(94 bid — asked)			
3½	2½	.	...	Massey-Harris	1565	3½	3½	3½	3½
12½	10½	62½c	..	Do. pref.	490	12	12	11½	11½
4½	2½	.	...	McColl Fron.	100	3	3	3	3
95	72½	6	8.1	Do. pref.	35	72½	75	72½	74
1.00	1.00	.	...	Melchers	....	(1.00 bid 2.00 asked)			
6½	5½	60c	9.8	Do. pref.	207	6½	6½	6½	6½
3	2	.	...	Mercury Mills	50	2½	3	3	3
†50	45	2.50	...	Mitchell, J. S.	....	(— bid 45 asked)			
15	11½	1	...	Mitchell, Robt.	....	(13½ bid 14½ asked)			
14	14	80+40c	8.6	Mod. Contain.	10	..	14	14	14
†98	97½	5.50	5.6	Do. pref.	....	(— bid 95 asked)			
†2	1½	.	...	Monarch Knit.	....	(3 bid — asked)			
65	48	7	...	Do. pref.	....	(50 bid 70 asked)			
67	67	4	5.9	Montreal Cot.	....	(65 bid — asked)			
117	111½	7	6	Do. pref.	....	(116 bid — asked)			
1.00	.25	.	...	Mont. Is. Pr.	....	(.75 bid 1.00 asked)			
24	19½	1.50	7	Mont. L. & Pr.	1863	21½	21½	21	21½
50½	49	.	...	Do. Notes	30	49½	49½	49½	49½
14	13	1.25	...	Montreal Loan	....	(13 bid — asked)			
.80	.70	.	...	Mtl. Refrig & S	....	(.75 bid — asked)			
15½	11½	1.25	...	Do. pref.	....	(15½ bid — asked)			
24½	20	*1.34	...	Montreal Tele.	....	(21½ bid — asked)			
20	12	.	...	Montreal Trams	75	17	20	20	20
45	39½	2.22+66½	7	Moore Corp.	301	40½	41	40½	40½
178	156	7	4.4	Do. pref. (A)	6	160	160	160	160
265	235	7	2.9	Do. pref. (B)	....	(240 bid — asked)			
.10	.10	.	...	Muirheads	....	(.10 bid .25 asked)			
1	1	.	...	Do. pref.	....	(2 bid 4 asked)			
				N, O					
26	23½	2	8.2	Nat. Breweries	623	25	24½	24½	24½
40	36	1.75	4.6	Do. pref.	10	38	38	38	38
7	4	40c	...	Nat. Grocers	....	(5½ bid 5½ asked)			
26	24½	1.50	5.8	Do. pref.	25	26	26	26	26
9	8	.	...	N. Sew. Pipe A	....	(8½ bid 9½ asked)			
34½	27	2	6.9	Nat. Steel Car.	125	29½	29	29	29
138	134	8	5.9	National Tr.	....	(132 bid 134 asked)			
‡9½	9½	60c	...	Neon Prod.	....	(— bid — asked)			
18	13½	2	14.8	Niag. W. Weav.	....	(— bid 13½ asked)			
3½	2	.	...	Noorduyn Av.	....	(2½ bid 3 asked)			
.55	.25	.	...	North Star Oil	....	(— bid .80 asked)			
3½	2½	35c	12.7	Do. pref.	....	(2½ bid 3½ asked)			
87½	86	6	6.8	N. S. L. & Pr.	....	(— bid 91 asked)			
108½	105½	6	5.6	Do. pref.	....	(107 bid — asked)			
22	19	1	4.9	Ogilvie Flour	811	20½	20½	19	19
155	151	7	4.6	Do. pref.	3	151	151½	151½	151½
110	107½	5	4.6	Ontario Loan	....	(106 bid 109 asked)			
†3	3	.	...	Ont. Silknit	....	(— bid 2 asked)			
35	30	‡1	...	Do. pref.	25	30	30½	30½	30½
10	9	1	...	Do. Scripts	....	(7 bid — asked)			
10	10	1	10	Ont. Steel	....	(— bid 10 asked)			
†110	110	7	6.4	Do. pref.	....	(— bid 115 asked)			
.60	.45	.	...	Orange Crush	....	(.50 bid — asked)			
3	1½	.	...	Do. pref.	....	(1½ bid 2 asked)			
5	4	40c	...	Ott. Car Air	....	(— bid 6 asked)			
16	12	2	13.2	Ottawa El. Rly.	....	(15½ bid — asked)			
6	4	60c	12	Ott. L. H. & Pr	405	6	5½	5	5
80	78	5	6.2	Do. pref.	....	(80 bid — asked)			
				P, Q, R					
†35	33	2c	..	Pacific Coyle	....	(— bid — asked)			
103	92	5	5.3	Page Hersey	40	94	93½	93	93
5	5	.	...	Pantepec Oil	....	(— bid 6½ asked)			
30½	30½	4	...	Paton Mfg.	....	(30 bid — asked)			
†115	115	7	6.1	Do. pref.	....	(111 bid — asked)			
48	47	3	6.4	Penmans	....	(— bid 47 asked)			
124	120	6	4.9	Do. pref.	4	120	121	121	121
5	5	25c	...	People's Cr Sec	....	(4½ bid 5½ asked)			
14½	10	1	9.3	Photo Eng.	25	11	10½	10½	10½
100½	96	7	7	Porto Rico Pr p	5	98½	100½	100½	100½
4½	2½	30c	...	Power Corp.	150	4	4½	4	4
85	73	6	7.2	Do. pref.	5	83	83	83	83
33½	31	3	9.4	Do. 2nd pref.	....	(32 bid 34 asked)			
4½	3	.	...	Pressed Metals	....	(3½ bid 4 asked)			
11	7½	.	...	Price Bros.	790	7½	7½	7½	7½
70	60	5.50	9.2	Do., pref.	....	(— bid 61½ asked)			
6	4½	40c	6.7	Prov. Transport	15	6	6	6	6
13	11	1	8.3	Quebec Power	115	13	12½	12	12
4	4	.	...	Que. Telephone	....	(4 bid — asked)			
24	24	2	8.3	Real Estate L'n	....	(23 bid — asked)			
5	3	50c	...	Regent Knit	....	(4 bid 5 asked)			
21	15½	1.60	7.6	Do. pref.	....	(19 bid 21 asked)			
3½	3	.	...	Reliance Grain	....	(3½ bid — asked)			
67	66	6.50	9.7	Do. pref.	....	(69 bid 75 asked)			
24	17½	2	8.7	River S. Mill.	....	(18 bid 23 asked)			
8	5½	60c	10	Rolland Pap.	123	6	6½	6	6
94	90	6	6.6	Do. pref.	5	91	91	91	91
155	142	8	5.5	Royal Bank	141	147	148	142	142
15½	12	80c	5.3	Russell Indust.	....	(13 bid 15 asked)			
150	130½	7	5.2	Do. pref.	50	138½	135	135	135
				S					
106	103	5.50	5.2	Saguenay Pr. p	....	(104 bid — asked)			
24½	24½	1	4.1	Sangamo	....	(23 bid — asked)			
8	6	.	...	Sarnia Br. (A)	....	(7 bid 9 asked)			
1.00	.75	.	...	Do. (B)	....	(1.00 bid 1.75 asked)			
..	..	1+50c	..	Scythes & Co.	....	(14½ bid 19½ asked)			
..	..	1.75	...	Do. pref.	....	(24½ bid — asked)			
14	12	90c	6.9	Shawinigan Pr.	2562	13	13½	12½	12½
13½	11	45c	...	Sher. Wms.	25	12	11	11	11
115½	110	7	6.1	Do. pref.	250	115	115	115	115
8½	6	40c	5	Silverwoods	188	8½	8	8	8
8	5½	40c	5.7	Do. pref.	70	8	8	7	7
10	7	60+15c	10	Simon & Sons	....	(7½ bid 9½ asked)			
105	105	7	6.7	Do. pref.	....	(100 bid — asked)			
7½	4	.	...	Simpson, A.	....	(3½ bid 4½ asked)			
2	1	.	...	Do. (B)	....	(1½ bid 2½ asked)			
89	66	6.50	9.3	Do. pref.	50	70	70	70	70
†135	132	6	4.4	Simpson, R., pf.	....	(132 bid 140 asked)			
10½	8½	80c	8	So. Can. Pr.	10	10½	10	10	10
103½	99½	6	5.8	Do. pref.	4	102	103	103	103
2.00	1.00	.	...	St. Law. Corp.	305	1.15	1.15	1.10	1.15
15½	10	1	9.1	Do. (A)	65	10½	11	10½	10½
25	22	1.40+50c	8	St. Law Flour	....	(23 bid 24 asked)			
122	115	7	5.7	Do. pref.	....	(115 bid — asked)			
43	24½	3	12	St. Law. Pap. p	165	25	25	24½	24½
11	9	50c	...	Stan. Chem.	100	9½	10	10	10
2	1	.	...	Stand. Clay	....	(1 bid 6 asked)			
.55	.25	.	...	St. Pav. & Mat.	20	.55	.40	.40	.40
5	4	‡31½c	...	Do. pref.	20	4½	5	5	5
4	3	30c	...	Stand. Radio	....	(3½ bid 3½ asked)			
20	13½	60+60c	9	Stedman Bros.	....	(15 bid 20 asked)			
63½	57	3	4.9	Steel of Can.	35	60	61½	60½	61½
70½	64	3	4.4	Do. pref.	115	68½	68½	68	68
3	3	.	...	Sterling Coal	....	(3 bid 5 asked)			
.25	.15	.	...	Stop & Shop	....	(— bid .25 asked)			
13½	11½	80+50c▪	...	Stuart, D.A., pf.	....	(— bid 12½ asked)			
‡3½	2½	.	...	Supersilk H. A.	....	(— bid 2 asked)			
†3	2½	.	...	Do. (B)	....	(— bid 3 asked)			
57	57	5	8.8	Do. pref.	....	(60 bid 73 asked)			
19	19	1+25c	6.6	Sup. Pete. ord.	....	(18½ bid 21½ asked)			
20	20	1+65c	6.2	Do. com.	....	(18½ bid 32 asked)			
				T, U, V					
11½	8½	80c	8	Tamblyn	50	10	10	10	10
52½	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
1.25	1.25	.	...	Thayers	....	(1.25 bid — asked)			
24	20	3.50	...	Do. pref.	....	(20 bid 35 asked)			
2½	1	.	...	Thrift Stores	....	(2½ bid 2½ asked)			
14	10	.	...	Do. pref.	....	(14 bid — asked)			
8½	6½	60c	8.9	Tip Top Tailors	....	(5½ bid 6 asked)			
106	97	7	7.2	Do. pref.	20	100	98	98	98
†1.50	1.00	.	...	Tooke Bros.	....	(1.00 bid — asked)			
13½	12	.	...	Do. pref.	....	(13½ bid 25 asked)			
20	16½	1	5.9	Tor. Elevators	25	18	17	17	17
50	45	2.62½	5.8	Do. pref.	5	47½	45	45	45
76	63	4	6.1	Tor. Gen. Tr.	11	70	66	65½	65½
84½	68	5	7.3	Toronto Mtge.	6	68½	68	68	68
151	147	7	4.7	Tuckett Tob. p.	1	150	150	150	150
3½	1	.	...	Twin City	....	(2½ bid — asked)			
28½	28½	.	...	Do. pref.	....	(— bid — asked)			
10½	5½	80+20c	16	Union Gas	1100	6½	6½	6½	6½
13	13	60c	6.2	Un. Amuse. A.	....	(11½ bid — asked)			
†13½	13	80c	5.8	Do. (B)	....	(11½ bid — asked)			
1.20	.75	10c	...	United Distill	1000	1.11	1.15	1.15	1.15
36	29	3	10	United Fuel, pf.	15	30	30	30	30
3½	2½	.	...	Do. (B) pref.	....	(3½ bid 5 asked)			
2½	1	.	...	United Secs.	....	(2 bid — asked)			
4½	2½	.	...	United Steel	385	3½	3½	3½	3½
3½	3	.	...	Viau Bisc.	....	(— bid — asked)			
52	48½	5	10.2	Do. pref.	....	(46½ bid — asked)			
				W, Y, Z					
44	35	4	10.9	Wabasso Cot.	....	(— bid 39 asked)			
50½	40	4	9.7	Walker-Good.	430	41½	42	41½	41½
21	18½	1	5.3	Do. pref.	475	19½	19½	18½	18½
1.10	1.00	5c	...	Walkerville Br.	....	(1.10 bid — asked)			
136	136	7	5.2	W. Koot. Pr. p.	....	(135 bid — asked)			
1.20	1.00	.	...	West. C. Flour.	33	1.05	1.05	1.05	1.05
29	18	.	...	Do. pref.	32	25½	29	26	26
51	44	3+2	10.2	West Grocers	....	(— bid 60 asked)			
111	109	7	6.3	Do. pref.	....	(110 bid 120 asked)			
‡15½	11½	50c	...	W'minster Pap.	....	(— bid — asked)			
11½	9½	80c	7.8	Weston Ltd.	75	9½	10½	10½	10½
94½	90	5	5.5	Do. pref.	....	(83½ bid 90 asked)			
16½	14½	1	8.9	Wilsils	....	(— bid 15 asked)			
1.25	.65	.	...	Winnipeg El. A	607	1.15	1.25	1.15	1.15
1.20	.60	.	...	Do. (B)	3	1.15	1.15	1.15	1.15
12½	5½	.	...	Do. pref.	115	12	12½	12	12½
80	68	7	10	Wood, A & J p	....	(— bid 79 asked)			
60	55	.	...	Woods Mfg. pf.	....	(— bid 60 asked)			
5	4	40c	...	York Knitting	....	(4 bid 5½ asked)			
•100	100	7	...	Do. 1st pref.	....	(— bid — asked)			
12	10½	80c	6.7	Zellers	10	12	12	12	12
25	24½	1.50	6	Do. pref.	300	25	25	25	25

Quotations: †1941. § 1940. • 1939. *1938.

▲ On account of arrears.

▪ Participating. ‡ Paid in 1941.

* Net after corporate income tax paid in 1942 to date.

Mining Stocks

Week Ending July 20

Par Val.	Range 094 High	Low	Company	Sales	Close July 03 (or last)	High for week	Low for week	Close July 0
			A					
No	.16½	.07½	Aldermac	800	.08½	.08	.07½	.07½
1	.00½	.00½	Amm. Gold	......	(.00½ bid .01 asked)			
No	2.55	1.75	Anglo-Huronian	49	2.00	2.00	2.00	2.00
No	.25	.20	Argus Interests	......	(.... bid .50 asked)			
No	†.08	.01	Arno	......	(.... bid .01½ asked)			
1	.04½	.02	Ashley	......	(.08 bid .03½ asked)			
1	.02	.01½	Astoria Quebec	......	(.... bid .02 asked)			
1	1.47	.85	Aunor Gold	1,250	1.00	1.10	1.05	1.05
			B					
1	.06	.02	Bagamac	......	(.04 bid .... asked)			
1	.05½	.02½	Bankfield	1,500	.03½	.03½	.03	.03
No	.09½	.06	Base Metals	6,600	.06½	.06½	.06	.06
1	.06½	.02½	Bear Exploration	5,500	.03½	.03½	.03½	.03½
1	.94	.56	Beattie Gold	......	(.59 bid .65 asked)			
1	.03	.02½	Beaufor	......	(.03 bid .05 asked)			
1	.65	.60	Berens River	......	(.35 bid .80 asked)			
1	.10	.04½	Bidgood Kirk	10,400	.05½	.05½	.05	.05
1	.12½	.06	Bobjo	1,900	.10½	.10	.09½	.09½
1	.32½	.08	Bonetal Gold	3,500	.09	.08½	.08	.08
1	.03	.01½	Bouscadillac G.M.	......	(.01½ bid .02½ asked)			
No	9.30	5.95	Bralorne	310	6.20	6.05	6.05	6.05
1	*.03	.02½	Brasil Gold	......	(.... bid .02½ asked)			
1	.00½	.00½	Brett Trethewey	......	(.00½ bid .00½ asked)			
1	.61	.36	Broulan Porc.	2,150	.41	.42	.40	.40
1	2.80	.90	Buffalo Ankerite	900	1.51	1.45	1.42	1.43
No	.02½	.01	Buffalo Can.	......	(.... bid .02½ asked)			
5	12.50	8.00	Bulolo Gold	50	8.00	8.00	8.00	8.00
No	.01½	.01	Bunker Hill	......	(.01 bid .... asked)			
			C					
1	*.11	.05	Camp Bird	......	(.01 bid .... asked)			
No	.49	.23	Can. Malartic	1,500	.34	.36	.35	.36
1	1.72	1.00	Cariboo Gold	900	1.06	1.05	1.00	1.15
1	.01	.00½	Cartier Malartic	......	(.00½ bid .... asked)			
1	.60	.45	Castle Trethewey	......	(.... bid .60 asked)			
1	.05	.02	Cen. Cadillac	......	(.02 bid .03 asked)			
1	1.30	.78	Cen. Patricia	6,775	.85½	.82	.78	.80
1	.10½	.05	Cen. Porcupine	16,000	.05½	.05½	.05	.05
1	†.18½	.15	Century Mining	......	(.... bid .13½ asked)			
1	1.50	.68	Chesterville	7,700	.68	.65	.60	.60
No	2.20	1.20	Chromium	......	(1.30 bid 1.95 asked)			
5	1.10	.50	Coast Copper	......	(.... bid 1.00 asked)			
1	.74	.46	Cochenour Willans	7,100	.66	.65	.62	.62
5	1.15	.80	Coniagas	600	.80	.85	.85	.85
No	.94	.60	Coniaurum	100	.65	.65	.65	.65
5	39.00	34.25	Cons. Smelters	1,352	35.00	35.25	34.25	34.63
			D, E					
1	.65	.26½	Delnite	......	(.47 bid .52 asked)			
1	.06	.02½	Denison Nickel	1,000	.05	.04½	.04½	.04½
No	17.50	10.37	Dome Mines	763	13.75	13.50	13.12	13.50
1	.10	.02½	Duquesne	1,000	.03	.03	.03	.03
1	2.24	1.22	East Malartic	5,980	1.30	1.30	1.25	1.25
1	.53	.32	Eldorado	1,450	.43½	.45	.40	.42
			F, G					
No	3.60	2.30	Falconbridge	860	2.45	2.60	2.50	2.50
1	.02½	.01½	Federal	10,000	.02	.02	.02	.02
No	.42½	.15	Francoeur Gold	......	(.19 bid .22 asked)			
1	.04	.01½	Gillies Lake	......	(.02½ bid .04 asked)			
1	.01	.00½	Glenora	......	(.... bid .01 asked)			
No	.20	.08	God's Lake	2,500	.11	.10½	.10	.10
1	.11½	.06½	Goldale	......	(.08 bid .12 asked)			
50c.	.15	.13	Gold Belt	......	(.09½ bid .... asked)			
1	.06½	.03½	Gold Eagle	1,500	.06½	.06½	.06½	.06½
1	.04½	.01	Golden Gate	......	(.01½ bid .... asked)			
1	.00½	.00½	Goodfish	......	(.00½ bid .01 asked)			
1	.01½	.01½	Graham Bousquet	......	(.01½ bid .02½ asked)			
No	.05	.03½	Grandora	......	(.03 bid .... asked)			
1	.02	.01½	Grull Wihksne	......	(.00½ bid .02½ asked)			
1	.14	.07	Gunnar Gold	9,200	.07½	.08	.07½	.07½
			H, I, J					
1	.03	.01½	Halcrow Swayze	......	(.01½ bid .03½ asked)			
1	.00½	.00½	Halliwell Gold	......	(.00½ bid .01½ asked)			
1	3.00	1.75	Hallnor Mines	......	(1.65 bid 1.90 asked)			
1	.55	.32	Hard Rock	5,240	.35	.36	.34	.35
1	.04½	.02	Harker	1,000	.02	.02½	.02½	.02½
1	.29	.25½	Hedley Mascot	......	(.24 bid .24½ asked)			
5	10.50	6.65	Hollinger	2,480	7.55	7.65	7.35	7.45
1	.20	.13	Howey Gold	1,500	.15	.15	.15	.15
No	28.12	21.75	Hudson Bay	1,882	23.50	24.00	23.00	23.50
1	.34	.19	Inspiration	1,000	.30	.30	.30	.30
No	36.25	29.00	Int. Nickel	2,302	30.00	30.00	29.50	29.75
50c.	*1.30	.85	Island Mountain	......	(.... bid 1.35 asked)			
1	.01½	.00½	Jacola	......	(.... bid .01½ asked)			
1	.20	.06	Jack Waite	1,000	.07½	.07	.07	.07
1	.29½	.15	Jason Mines	......	(.14 bid .15 asked)			
1	.02½	.01	Jellicoe	1,000	.01½	.01½	.01	.01½
1	.01½	.00½	J. M. Cons. Gold	......	(.00½ bid .01 asked)			
1	.03½	.01½	Joliet Quebec	2,400	.01½	.01½	.01½	.01½
			K, L					
1	4.40	2.93	Kerr Addison	17,785	3.90	3.90	3.80	3.90
1	.22	.22	Kerr Lake	......	(.10 bid 1.00 asked)			
1	.05	.00½	Kirk. Gold Rand	......	(.01½ bid .03½ asked)			
1	.26	.12	Kirk. Hud. Bay	......	(.18 bid .25 asked)			
1	.62	.40	Kirkland Lake	900	.43	.43	.42	.42
1	12.00	6.75	Lake Shore	881	8.50	8.25	8.00	8.00
No	4.15	3.15	Lamaque Gold	55	3.45	3.75	3.75	3.75
1	.09	.04	Lapa Cadillac	......	(.05½ bid .06½ asked)			
1	.01½	.00½	Lebel Oro	......	(.00½ bid .01½ asked)			
1	.60	.38½	Leitch Gold	2,150	.52	.53	.52	.52
No	1.35	.79	Little Long Lac	1,150	.82	.80	.79	.80
			M					
1	2.85	2.02	Macassa	2,450	2.08	2.14	2.05	2.10
1	1.68	1.05	MacLeod Cockshutt	800	1.20	1.20	1.15	1.15
1	.54	.30	Madsen Red Lake	2,225	.43	.42	.39	.41
1	2.22	1.15	Malartic Gold	4,300	1.49	1.50	1.45	1.48
No	.00½	.00½	Man. & Eastern	......	(.00½ bid .00½ asked)			
1	.02	.01	Maralgo	5,500	.01½	.01½	.01½	.01½
5	45.50	36.00	McIntyre	305	40.00	40.00	39.50	40.00
1	1.04	.50	McKenzie R.L.	1,000	.56	.57	.56	.57
1	.03	.01	McLellan Gold	......	(.01½ bid .01½ asked)			
1	.05	.03	McVittie Graham	500	.04	.04	.04	.04
No	.10	.06½	McWatters	850	.08	.08	.08	.08
5	†.20	.15	Mentor Exploration	......	(.... bid .... asked)			
No	1.40	.95	Mining Corp.	615	1.15	1.05	.96	.96
1	.30	.20	Moneta	3,200	.23½	.24½	.24	.24½
			N, O					
1	.23	.08½	Naybob	15,900	.10	.10	.09½	.10
1	.50	.31	Negus Mines	......	(.36 bid .38 asked)			
5	1.01	.75	Nipissing	700	.81	.87	.86	.87
No	52.00	41.00	Noranda	1,100	42.75	43.00	42.50	42.75
No	.25	.14	Nor. Canada	540	.14	.20	.20	.20
1	.04	.03	Norgold	......	(.02½ bid .04 asked)			
No	.90	.60	Normetals	1,500	.67	.68	.65	.67
1	*5.00	3.75	Northern Empire	......	(2.00 bid .... asked)			
1	.91	.48	O'Brien	3,400	.55	.56	.53½	.55
1	.10	.05	Omega	1,500	.08	.08	.07½	.08
1	.16	.06½	Ontario Nickel	131,450	.15	.15½	.14	.15½
1	.06	.02	Osisko	......	(.02½ bid .... asked)			
			P, Q, R					
No	.90	.35	Pamour	6,600	.35	.36	.35	.36
1	.04	.02	Pandora	500	.01	.03	.03	.03
1	.02	.01	Partanen Mal.	......	(.01½ bid .02 asked)			
1	3.00	2.00	Pato Cons. G.	......	(2.10 bid 2.50 asked)			
1	.00½	.00½	Pawnee Kirk.	......	(.00½ bid .01 asked)			
1	.19	.10	Paymaster	3,100	.17	.17	.16½	.17
1	1.75	.95	Pend Oreille	400	1.03	1.03	1.03	1.05
1	1.39	.90	Perron Gold	6,450	.90	.92	.90	.90
1	2.35	1.38	Pickle Crow	2,380	1.65	1.63	1.60	1.62
1	2.20	1.20	Pioneer Gold B.C.	500	1.35	1.39	1.25	1.35
1	5.00	4.25	Placer Devel.	......	(5.25 bid 8.00 asked)			
1	.78	.40	Powell Rouyn	1,000	.47	.45	.45	.45
1	.60	.35	Premier Gold	150	.45	.40	.40	.40
1	3.20	1.54	Preston E. Dome	12,025	1.66	1.65	1.54	1.65
No	.20	.15	Prospectors Air's.	......	(.10 bid .20 asked)			
1	.25	.20	Quebec Gold	......	(.20 June 20)			
1	.39	.08	Queenston Gold	3,500	.16	.15	.15	.15
No	.06	.02	Quemont	......	(.05 bid .06 asked)			
No	.00½	.00½	Red Crest	......	(.... bid .03 asked)			
1	.45	.40	Reeves McDonald	......	(.20 bid .... asked)			
1	.25	.02½	Reno Gold	......	(.03½ bid .04½ asked)			
1	.03	.02	Roche Long Lac	3,500	.02	.02½	.02½	.02½
			S, T, U, V, W, Y					
1	2.05	1.35	San Antonio	1,171	1.57	1.55	1.45	1.45
1	.02½	.00½	Sand River	......	(.00½ bid .02 asked)			
1	.18	.09	Senator Rouyn	4,000	.18	.17	.15	.15
1	.01½	.01	Shawkey	......	(.01 bid .01½ asked)			
50c.	.83	.65	Sheep Creek	400	.65	.65	.65	.65
1	.98	.60	Sherritt Gordon	4,930	.65	.65	.60	.63
1	6.00	4.05	Sigma Mines	......	(4.35 bid 4.90 asked)			
1	.50	.28	Siscoe	1,475	.30	.35	.30	.35
1	.34	.17	Sladen Malartic	1,000	.22	.22	.22	.22
1	.06	.01	Slave Lake	7,000	.02½	.02½	.02	.02
1	.04	.01½	St. Anthony	500	.01½	.01½	.01½	.01½
No	1.96	.87	Steep Rock	76,025	1.07	1.30	1.06	1.25
No	.01½	.00½	Straw Lake	......	(.01 bid .01½ asked)			
1	.13½	.08½	Sturgeon River	100	.11½	.11	.11	.11
No	1.70	1.10	Sudbury Basin	100	1.25	1.35	1.35	1.35
1	.02½	.01½	Sudbury Contact	......	(.01½ bid .03½ asked)			
1	.65	.48	Sullivan Cons.	540	.53	.54	.50	.54
1	1.98	1.15	Sylvanite	1,734	1.40	1.50	1.35	1.35
1	2.34	1.50	Teck Hughes	2,240	1.50	1.55	1.50	1.50
1	.03½	.03	Temiskaming	......	(.03 bid .03½ asked)			
1	1.10	.75	Toburn Gold	......	(.... bid .80 asked)			
1	.13	.09	Towagmac	......	(.... bid .11½ asked)			
No	.50	.23	Trans. Resources	500	.23	.25	.25	.25
1	.05	.01	Uchi Gold	1,500	.04	.04	.04	.04
.	40.00	15.00	Uchi Bonds	......	(28.00 bid 35.00 asked)			
1	1.24	.59	Upper Canada	13,160	.70	.72	.65	.72
No	5.00	2.95	Ventures	392	4.00	4.00	3.80	3.80
No	4.80	4.00	Waite Amulet	1,725	4.35	4.20	4.05	4.20
1	.17	.08	Wendigo	......	(.15 bid .16 asked)			
1	.01½	.00½	Wiltsey Coughlan	......	(.00½ bid .... asked)			
1	.04	.01½	Wood Cadillac	......	(.01½ bid .02 asked)			
No	2.90	1.81	Wright-Hargreaves	2,060	2.09	2.07	2.01	2.01
No	.05	.02½	Ymir Girl	......	(.03½ bid .... asked)			

Oil Stocks

Par Val.	High	Low	Company	Sales	Close July 13	High for week	Low for week	Close July 20
No	.10	.03	Acme Gas & Oil	......	(.05 bid .07 asked)			
1	.07½	.05	Alta. Pac. Cons.	......	(.06 bid .... asked)			
1	.13	.08	Ajax	......	(.11 bid .15 asked)			
No	.56	.32	Anglo Canadian	2,400	.45	.44	.42	.43
No	.29	.09	Br. Dominion	18,500	.12	.14	.12	.13½
No	.07	.04	Brown Oil	500	.04½	.04½	.04½	.04½
No	1.20	.80	Calgary & Ed.	2,500	.95	.95	.93	.94
1	.18	.11	Calmont	500	.14	.13	.13	.13
No	.22	.15	Commoil	2,000	.15	.15	.15	.15
No	.30	.18	Common Pete	......	(.17 bid .20 asked)			
No	.30	.12	Dalhousie	......	(.16 bid .... asked)			
No	.17½	.12	Davies Pete	1,500	.12	.12	.12	.12
No	.04	.02	East Crest	......	(.02 bid .02½ asked)			
No	.32	.32	Federated Pete	......	(.32 June 15)			
No	.85	.55	Foothills	600	.75	.70	.70	.70
No	.01	.01	Grease Creek Pete	......	(.00½ bid .02 asked)			
No	†.08	.04	Hargal	......	(.... bid .10 asked)			
No	.20	.07	High Sarcee	2,050	.08	.07	.07	.07
No	2.70	2.05	Home	13,475	2.10	2.33	2.15	2.33
1	.07	.02	Homestead O. & G.	3,000	.02½	.02½	.02½	.02½
No	.04	.02½	McD. Segur	......	(.03½ bid .04½ asked)			
1	.20	.13	Model	......	(.13 bid .17 asked)			
25c.	.04	.04	National Petroleum	5,500	.04	.04	.04	.04
1	.05	.02½	Nordon	......	(.02½ bid .04 asked)			
No	.03	.01½	Oil Selections	......	(.02½ bid .... asked)			
No	.40	.22	Okalta	800	.25	.23	.23	.23
No	.04½	.02	Pacalta	54,000	.02½	.04	.03	.03½
1	*.27	.15	Pacific Petroleum	......	(.... bid .... asked)			
No	.25	.25	Petrol Oil & Gas	......	(.... bid .50 asked)			
No	19.75	16.25	Royalite	225	17.00	17.00	16.25	17.00
No	.05	.02½	South End	......	(.02 bid .03½ asked)			
No	.17	.10	South West Pete	......	(.... bid .20 asked)			
5	1.60	.70	Texas Can.	......	(.75 bid .... asked)			
No	.04½	.03	United Oils	1,000	.03	.03½	.03½	.03½
1	.13	.05½	Vermilata	6,000	.10½	.10	.08½	.09
1	.22	.15	Vulcan	......	(.15 bid .20 asked)			

Vancouver Stocks

Par Val.	High	Low	Company	Sales	Close July 13	High for week	Low for week	Close July 20
1	.05½	.03	Bayonne Cons.	......	(.... bid .03 asked)			
No	9.20	5.90	Bralorne	2,015	6.10	6.25	5.95	6.25
1	*.00½	.00½	Bridge River Cons.	......	(.... bid .... asked)			
1	1.74	.97	Cariboo Gold	2,900	1.05	1.05	.97	.97½
No	.01	.00½	Dentonia	......	(.... bid .... asked)			
No	.00½	.00½	Fairview Amal.	......	(.00½ bid .... asked)			
1	.20	.10	George Copper	......	(.15 bid .... asked)			
1	.06½	.04	Golconda	......	(.04 bid .... asked)			
50c.	.18	.10	Gold Belt	......	(.10 bid .15 asked)			
50c.	.18	.11	Grandview	......	(.11 bid .12 asked)			
1	.03½	.01½	Grull Wihksne	......	(.01 bid .01½ asked)			
1	.35	.24	Hedley Mascot	1,000	.25	.25	.24	.24
No	.00½	.00½	Home Gold	......	(.00½ bid .... asked)			
1	.01½	.01½	Indian Mines	......	(.01½ bid .01½ asked)			
50c.	1.06	.88	Island Mountain	1,400	1.00	.91	.88	.88
1	.30	.28	Inter'l Coal	......	(.30 bid .34½ asked)			
50c	.25	.15	Kootenay Belle	......	(.17½ bid .20 asked)			
1	.20½	.18	McGillivray Creek	......	(.17½ bid .23 asked)			
No	.01	.00½	Minto Mines	......	(.00½ bid .01 asked)			
50c.	.02	.01	Nicola	3,000	.01½	.01½	.01	.01½
1	.10	.08	Pacific Nickel	......	(.06 bid .08½ asked)			
1	1.75	1.00	Pend Oreille	200	1.00	1.03	1.00	1.00
1	2.15	1.16	Pioneer Gold	450	1.25	1.30	1.22	1.30
No	.01½	.00½	Premier Border	14,000	.00½	.00½	.00½	.00½
1	.60	.38	Premier Gold	800	.46	.47	.44	.44
No	.60	.26	Privateer Mines	11,450	.30	.30	.29	.29
1	.02	.01	Quatsino Copper	......	(.01½ bid .... asked)			
1	.50	.20	Reeves McDonald	500	.20	.26	.26	.62
1	.23	.02	Reno Gold	......	(.03½ bid .04 asked)			
50c.	.00½	.00½	Salmon Gold	......	(.00½ May 18)			
50c.	.84	.61	Sheep Creek	2,100	.65	.70	.65	.70
1	.75	.50	Silbak Premier	......	(.61 bid .... asked)			
No	*.00½	.00½	Silvercrest	......	(.... bid .... asked)			
50c.	.10	.06	Surf Inlet	......	(.06 bid .... asked)			
No	.02	.02	Taylor Bridge	500	......	.02	.02	.02
20c.	.02½	.01	Wellington	......	(.00½ bid .00½ asked)			
1	.04½	.02	Whitewater	2,000	.02	.02	.02	.02
No	.04	.04	Ymir Yankee Girl	......	(.03½ bid .... asked)			

Oil Quotations

Par Val.	High	Low	Company	Sales	Close July 13	High for week	Low for week	Close July 20
1	.07	.05	Alta. Pac. Cons.	......	(.06 bid .... asked)			
No	.55	.35	Anglo Canadian	1,300	.40	.43	.42	.43
No	.03	.02½	Anaconda	......	(.02 bid .... asked)			
No	.25½	.19	Brit. Dominion	......	(.11½ bid .... asked)			
No	.04	.04	Brown Oil	......	(.... bid .... asked)			
No	1.17	.80	Calgary & Ed.	400	.98	.95	.94	.94
1	.17	.10	Calmont	1,200	.13	.13	.13	.13
No	.23	.14	Commoil	1,000	.15	.14	.14	.14
No	.28	.18	Commonwealth	......	(.17 bid .21 asked)			
No	.22	.14	Dalhousie	......	(.15 bid .16 asked)			
No	.16½	.12	Davies Pete	......	(.11 bid .12 asked)			
No	.02½	.02½	East Crest	......	(.01½ bid .... asked)			
No	*.36½	.21	Federated Petroleum	......	(.... bid .... asked)			
No	.85	.60	Foothills	......	(.65 bid .75 asked)			
No	.20	.07	High Sarcee	......	(.07 July 9)			
No	2.67	2.00	Home Oil	1,770	2.00	2.25	2.14	2.25
No	.01½	.00½	Madison	......	(.01½ bid .01½ asked)			
No	.01½	.01	Marjon Oil	......	(.01½ bid .01½ asked)			
No	.04½	.02½	McD. Segur Ex.	......	(.03½ bid .05 asked)			
No	.05½	.03½	Mercury	......	(.04½ bid .... asked)			
No	.07	.05½	Mill City Pete	......	(.06½ bid .... asked)			
1	.20	.12	Model	......	(.15 bid .18 asked)			
25c.	.04½	.04	National Pete	......	(.04½ bid .... asked)			
1	.03	.02	Nordon	......	(.... bid .... asked)			
No	.40	.20	Okalta	1,100	.27	.26	.25	.25
No	.04	.03	Pacalta Oil	5,000	.03	.03½	.03½	.03½
1	.25	.14	Pacific Petroleums	......	(.19 bid .25 asked)			
No	.05½	.03	Royal Canadian	2,000	.03	.03	.03	.03
No	†.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	18.63	16.00	Royalite	12	17.00	17.50	17.00	17.00
No	.05	.03	South End	......	(.... bid .03½ asked)			
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.05	.04	Spooner	......	(.05 July 3)			
25c.	.09½	.08	Sunset Oil	......	(.06½ bid .... asked)			
No	.04½	.02	United	500	.04	.03½	.03½	.03½
No	.05	.04	Vanalta	5,000	.04½	.04½	.04½	.04½
1	.20	.12	Vulcan	......	(.12½ bid .... asked)			

*Quotations for 1941; †1940.

Winnipeg Stocks

(Transactions from July 13 to July 18)

	Sales	High for period	Low for period	Close July 18
Beaver Lumber, pref.	60	100.00	100.00	100.00
Great-West Life	5	210.00	210.00	210.00
United Grain Growers	2	10.50	10.50	10.50

Stocks Not Traded In During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2¼	4	Nor. C. Mtg. un.	5½	..
Can. Indemnity	130	..	Nor. Mtg. pt. pd.	.75	..
Cres. Cream., p.	10	15	Nor. Trusts	6	..
Dom. Envel., c.	..	8½	Traders Bldg.	44	..
Dom. Envel., p.	..	92	Unit. Grain	10½	..
Fed. Grain, c.	.35	1¼	West. Brew.	2	2¼
Grouped Inc.	..	4⅛	West. Grain, p.	..	7
Home Invest.	27¼	..	West. Steel	7	9

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 21	5,400	3,500	116,000	......
July 20	5,300	2,000	117,000	10,150
July 18	2,500	1,300	48,000	13,845
July 17	4,400	100	151,000	3,515
July 16	5,200	3,000	101,000	4,712
July 15	7,300	4,500	83,000	1,700

Government Bonds

July 22, 1942 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.	Approx. Yld.
	Dominion of Canada Bonds			
3	Oct. '42	100½	100½	.20
2½	June '43	101	101½	1.05
5	Oct. '43	104	104½	1.35
2	June '44	100½	101½	1.44
1½	Sept. '44	99½	100½	1.39
2½	Jan. '44	99½	100½‡	b1.17
4½	Oct. '44	105½	106½	1.65
2½	Nov. '44	101½	102½	1.58
a2½	Aug. '45	99½	100½‡	b2.02
4	Oct. '45	102½	103½	b1.61
2	Mar. '45	100½	101	1.63
2	Dec. '46	98½	99½	2.03
4½	Feb. '46	106½	108½	1.94
2½	Mar. '48	99½	100	2.25
3½	June '49	102½	103½	b2.38
3½	Oct. '49	102½	103	b2.12
3½	Nov. '51	102	102½	b2.83
3½	Feb. '52	102½	102½	a2.90
a5	May '52	101½	102½	b
4	Oct. '52	105½	106½	b2.74
a3	June '51	100½	100½	2.98
3	Oct. '52	99½	100	3.00
3	June '55	99½	100	3.00
4½	Nov. '56	106½	107½	b2.71
a3	Mar. '54	99½	100½	3.05
4½	Nov. '57	107½	108½	b2.85
3	June '58	99½	100	3.00
4½	Nov. '58	108	108½	b3.01
4½	Nov. '59	109	109½	b3.05
a4	Oct. '60	105	106½	b3.17
a3½	Jan. '61	99½	100½‡	3.23
3½	June '66	101½	101½	b3.10
a3e	Jan. '67	95½	95½‡	3.24
a3e	Nov. '68	95½	95½‡	3.23
†3	Perpet'l.	94½	95	3.16
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100½	100½	.99
2½	Jan. '46	100½	101½	1.89
3	May '44	102½	102½	1.45
3	Dec. '50	99½	100½	2.92
3	Jan. '59	99	99½	3.03
*4½	Sept. '51	117½	118½	2.22
*4½	Feb. '56	118½	119½	2.80
4½	July '57	119	120	2.85
3	Feb. '53	99½	99½	3.03
4½	June '55	120½	121½	2.79
5	Feb. '54	118	118½	3.12
*5e	July '69	118½	119	...
*5e	Oct. '69	121½	122½	b2.30
*5e	Feb. '70	121½	122½	b2.39
	Can. Nat. W. Ind. S. S.:			
*5	Mar. '55	121½	122½	2.88
	Grand Trunk Pacific Rly.:			
3	Jan. '62	100½	101½	2.90
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	94	96	3.48
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.68
c4	Nov. '47	106	108	b1.53
c4½	Apr. '61	108	110	3.76
c5	Jan. '60	110	112	4.05
	Nova Scotia:			
3	Jan. '52	98	98½	3.06
3½	June '56	99	100½	3.20
3½	Nov. '50	101½	102½	3.12
c4½	Sept. '52	111	113	b1.85
c4½	Nov. '60	112	114	3.45
c5	Mar. '60	118	120	3.48
	Ontario:			
2½	May '45	100½	101½	2.07
3	Apr. '48	100	101	b2.73
3	Nov. '50	99½	100	3.00
2½	Nov. '51	100½	101½	b2.90
3½	May '55	100½	101½	b3.07
*4	June '62	111	113½	3.09
4½	June '50	109½	110½	3.05
*4½	Jan. '62	117½	120	3.14
5	Oct. '48	110½	111½	3.01
*5	Dec. '60	123	125	3.20
5½	July '46	109½	110½	2.71
	Ont. Hydro Commission:			
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b2.99
3½	Apr. '47	102½	104	2.63
	Prince Edward Island:			
4	Mar. '54	101½	103	3.68
	Quebec:			
3	Nov. '47	98½	99½	3.10
3½	Mar. '48	99	100	3.25
3½	Mar. '59	98½	100	3.50
4	Nov. '52	102½	103½	b3.52
3½	Feb. '55	100½	101½	b3.57
4½	Aug. '58	105½	107½	3.83
4½	Jan. '63	110	112	3.88
	Alberta:			
4½	Oct. '51	72	..	d
4½	Oct. '56	69	73	d
4	Dec. '54	67	71	d
*5	Oct. '59	70	74	d
c5½	Apr. '52	71	75	d
6	Mar. '47	73	77	d
	British Columbia:			
c4	Dec. '37	101	...	
*4½	Jan. '51	105½	108½	3.3
c4½	Oct. '53	108	111	3.3
c5	Apr. '54	112½	...	
5½	Feb. '45	103½	105½	2.27
6	Feb. '47	108	110	3.05
	Manitoba:			
c4	Dec. '57	99	101	3.93
c4½	Dec. '56	100	102½	4.27
*5	Dec. '59	104	107	4.42
5½	Oct. '55	106	109	4.80
6	Apr. '47	105	108	4.12
	Saskatchewan:			
4	Sept. '54	80	83	5.98
4	Nov. '60	79	81	5.82
c4½	Oct. '51	89	91½	5.70
c4½	Mar. '60	86	88½	5.53
5	Aug. '58	87½	90½	5.93
5½	Oct. '32	93	96	6.03
6	Mar. '52	95	98	6.27

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ‡—Calculated to 1956 average maturity. •—Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

July 21, 1942 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., pf.	48	52
Andian National	26½	27½
Anglo C. Tel., A	6½	7
B. C. Pulp, c.	9½	10½
Do., pfd.	63	65
B. C. Sugar	63	66
B. C. Tel., 1st p.	102	..
Brown, com.	1½	1½
Do., pfd.	22	24
Burns & Co., A	2½	3½
Do., B	1	1½
Can. Co-op. Wl.	8	..
Can. Indust., A	140	145
Can. Airways	1½	1½
Can. Ing. Rand	68	..
Can. Mot. L.A.B.	5	..
Can. Tube, c.	6½	..
Do., 1st pf.	91	..
Chase, A. W., p.	18½	20
Colonial Realty	2½	..
Colonial Steam.	43	49
Corr. Pap. Box c	2	3
Do., rights	6	9
Dunlop T. p $25	16½	17½
Easy Wash. p $10	9½	11
Galt Brass, c.	9	11
Goderich Elev.	7	8
Guard. Realty, p	17	..
Guelph Carp., c.	16	18
Gurney Fdry., p	1½	1½
Hayes Steel, c.	11	13
Hi'land Dairy, p	..	46
Do., com.	..	2
Inglis, John	6	8
Ingram & Bell, p	94	..
Kingst. Ship., c.	8	..
Loblaw, Inc., c.	12	13
Minn.&Ont. P. c.	3	3½
M'row Screw, p.	100	105
Do., com.	14	16
Morrison Br. un	5	6
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy. p.	68	..
Ont. Tobacco, p.	18	20
Prov. Paper, pf.	97½	100
Quinte Milk	2½	3½
Stand. Fuel, c.	1	1½
Stand. Fuel, p.	52	54
Do., com.	1	1½
Stedman, pf. $50	50	55
Sutton Horsley	1	1
Tor. Carpet, c.	63	..
Do., pfd.	70	73
Un. F. Co-op.	3	4
Un. Steel, A pf.	23½	24½
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	125	130
Brockville Tr.	43	..
Capital Tr.	28	31
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	100	103
Guelph & O. $50	50	53
Indust. Mtge.	25	30
Lambton Loan	32	34½
Midland Loan	14	16
Premier Trust	..	32
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	4	6
Do., A pfd.	55	60
Trusts & Guar.	31½	33
Victoria Trust	66	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	360	370
Brit. Amer.	50	51½
Canadian Fire	77	80
Confed. 30% pd.	128	136
Cons. Fire Cas.	3½	..

	Bid	Ask.
Continental L.	30	35
Crown, fully pd.	260	280
Dominion Fire	138	..
D. of Can. Gen.	114	120
Empire, 25% pd.	4	5
Excelsior 40% pd	68	72
Great-West Life	203	208
Federal, 25% pd.	52	54
Halifax Fire	15	18
Imperial Life	260	270
Manufac. Life	217	222
Monarch Life	32	35
National Life	7	10
Sov. L. 25% pd.	12	14
Sun Life	220	240
Tor. General	4½	5½
Wellington Fire	58	..
Western Assce.	36	38
Theatre Stocks:		
Allen's, St. Cath. units	52	55
Do., Kings'n un	62½	65
Loew's London p	5	..
Mansf. Theat., p	30½	31½
Para., Kitch., p.	49	..
Do., Oshawa, c	7	9
Investment Trust Shares:		
Inv. Found. un.	40	43
Sec's. Hold., pf.	19	22
United Corp., A	20½	22
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	100	..
Gt. Lakes Pr., p	100	102
Int. Util., $1.75 p	8	12
Do., $3.50 pf.	24	28½
Mtl. Isl. Pwr., p.	41	..
Nor. Ont. Pr. p.	70	74

Unlisted Mines

Toronto, July 21, 1942

	Bid	Ask
Albany R (Old)	.01	.03
(New)	.06	.08
Amal Kirk	.03½	.04½
Anoki	.01	.03
Aquarius	.12	.17
Arjon	.02½	.03½
Armistice	.02½	.05
Argosy	.03	..
Area	.07	.08½
Arntfield	.00½	.01½
Athona (New)	.00½	.02
Barb Lard	.01½	.03
Brock	.03	.04
Clifton Cn	.08	.10
Can Rad	.06	.08
Central M	.01½	.01½
Cheminis	.02½	.03½
Clonmet	1.40	1.50
Columbi'e	.18	.20

	Bid	Ask
Cons Chib	.02½	.04
Delpine	.02	.05
Desantis (New)	.03	.04
Dona Pat	.00½	.01½
Eastward	.05	.10
Elmos	.03	.06
Franco	.13	.18
Galore	.00½	.01½
Goodrock	.35	.37
Hayes Cad	.01½	.02½
Hoyle new	.05½	.06
Hugh PaP	.01½	.03
Kirk Gate	.00½	.01½
Kir Town	.06½	.09
Lacoma	.00½	.01½
Laguerre	.04½	.05½
Lake Duf	.55	.58
Lake Gen	.10	..
Lw Pete	.12	.17
Magnet C	.24	.27

	Bid	Ask
Magnet L	.07	..
Martin Bir	.02	.03
Mata Can	.02	.04
Mata Con	.10	.15
McMar'ac	.04	.07
Mof Hal n	.01	.02
Mosher	.05	.06
McManus	.00½	.01½
Nat Mal	.11	.13
Nickel O	1.35	1.60
Norbeau	.15	.20
N Ribago	.00½	.01
Numalake	..	.12
O'Leary M	.02	.03
Oklend	.02½	.03½
Opemiska	.10	.15
Orpit	.02	.02½
Pascalis	.12	.17
Pontiac R (Old)	.03	..
Pelangio	.01	.02

	Bid	Ask
Polaris	..	.02
Propri'y	3.90	4.20
Presdor	.01½	.02
Queb Mn	.23	.25
Rand Mal	.08½	.09½
Red Lake	.00½	.02
Ritoria	.01½	.02
Rouge	.01	.02½
Ranchmens (New)	.35	.37
Republic	.15	.17
S.A.G.A.	..	.40
Sheldon	.03	.04
Sachigo	4.50	5.00
Skynner	..	.02
Springer	.10	.12
Tombill	.10	.12
Thomson	.07	.08½
Union Mn	.02	.04
Wesley	.01	.01½
Y David'n	.16	.19

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 21, 1942

Public Utility Issues:	Int. Rate %	Due	Bid July 21	Asked	Bid July 14
▲Alg. Cen. H.B.R.	5	'59	22½	24½	21½
†Assoc. Tel. & T.	5½	'55	68½	69½	66½
B. C. Power	4½	'60	99	101	99
B. C. Tel.	4½	'61	106	108	105½
†Calgary Pwr.	5	'60	109	111	109
Do.	5	'64	104½	106½	104½
†Can. Nor. Pwr.	5	'53	101	103½	101½
*Dom. Gas & El.	6½	'45	103	105½	103
Gatineau Pwr.	5	'49	100	102	99½
*Do., A	3½	'69	100½	102½	100½
▲Do., B	3½	'69	100	102	100
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	34	37	33
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100	102	100½
Mtl. L. H. & Pr.	3½	'56	103	105	103
Do.	3½	'73	101	103	101½
Do.	3½	'63	101½	103½	101½
†Mtl. Tramways	5	'51	101½	103½	101½
†Do.	5	'55	81½	84½	81½
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102	104½	102
Ottawa V. Pwr.	5	'59	101	103½	101
†Power Corp.	4½	'59	92	95	91½
Quebec Pwr.	4	'62	103	105	102½
*Saguenay P.	4½	'66	108	110	107
▲Do., B	4½	'66	107	109	105½
St. Maurice Pr.	4½	'70	104	106	104
Shaw. W. & Pr.	4	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	97½	100½	97½
*Twin C. R. Tr.	5½	'52	83	86	83
†United Secs.	5½	'52	93	96	93
‡Wpg. El. ser. A.	5	'65	85½	88½	86
Do., B	5	'65	72½	75½	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	58½	61½	58½
Do., C.O.D.	5	'53	58½	61½	58½
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	94	97	94½
†Alta. Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	102½	105½	102½
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	89	92	89
‡†Do.	7	'50	106	109	106
*Brown Co.	5	'59	78½	81½	78½
Burns & Co.	5	'58	67½	70½	67½
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	97	100	97
Can. Paper	4½	'52	101	103	101
Can. Steamship	5	'57	101½	103½	101½
Can. Canners	4	'51	101½	103½	101½
*Can. Int. Paper	6	'49	102½	105	102½
‡Can. Locomotive	6	'53	93½	96½	93½
‡†Candn. Vickers	6	'47	98½	101	97½
C. P. R.	3½	'51	97	99	97½
Do.	4	'49	101	103	101
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	64	67	63½
Dom. Coal	4½	'52	97	100	97
Dom. Scott. Inv.	4	'52	97	100	97
Dom. Stl. & C.	6½	'55	103	105½	103
Dom. Tar	4½	'51	103½	105½	103½
Dom. Woollens	6	'53	96½	99½	96½
†Donnacona Pap.	4½	'56	73	76	72½
*Dryden Pap.	6	'49	101	104	101
†East. Dairies	6	'49	75	78	73
Famous Players	4½	'51	100½	103½	100½
†Federal Grain	6	'49	103½	106	103½
†Fraser Cos.	6	'50	102½	105	102½
Galt Brass	6	'50	93	...	93
Gen. Stl. Wares	4½	'52	101½	104½	101½
*Gt. L. Paper	5	'55	91½	94½	92
*Gurney Fdry.	5½	'49	85	88	85
†Gypsum Lime	5½	'48	102	104½	102
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100	103	100
Inter-City Bak.	5	'52	102	105	102
Indust. Accept.	4	'52	81	84	80½
Ins. Ex. Bldg.	3	'51	50½	53½	50½
*Inter. P. Nfld.	5	'68	95	98	95½
*Inv. Bond & Sh.	5	'47	35	40	35
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	78	81	78½
Do.	6	'61	51	54	53
Legare	6	'61	88	91	88
Maple L. M.	5	'60	84½	87	84½
Man. Sugar	5	'60	102	104½	102
Massey-Harris	4½	'54	98	101	98½
McColl-Fron.	4½	'49	98	101	98½
McCormicks	4	'52	104	107	104
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	85½	88½	85½
Mersey Paper	5	'57	94	97	94
†Do.	5	'57	94	97	94
*M. & O. Paper	6	'60	95	98	95
Moirs Ltd.	6	'53	83	86	83
‡Mtrl. Drydocks	5	'48	83	86	83

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at July 21, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32½	35½	+½
Atlas Steels, com.	21½	23	—½
Do., 7% pref.	105½	107	+½
Brantford Roofing, c.	2.35	3.25	+.10
*Can. Gen. Rubber, pfd.	..	25	—½
Can. Mach., new com.	8½	10½	—½
C.P.R., 4% p. (£ par)	1½	2½	—½
Can. Tube & Stl., 2nd p.	6½	7½	—1½
Capital Wirecloth, pfd.	19	22½	unch
Cawthra Apts., pfd.	2.15	3.25	+.15
Century Finance, com.	..	27	—½
Claude Neon, pfd.	1.15	1.85	+.10
Collingwood Term., pf.	1½	..	+½
Do., com.	.80	..	+.05
Comm. Life, 10% pd.	6½	7½	—½
†Copeland Flour units	15	16½	—½
Dairy Corp., pfd.	7	10	unch
Dom. Alloy Steel, pfd.	.05	.15	unch
Dom. Life, 70% pd.	175	205	—2
Dover Industries	6	6½	—½
Eastern Steel, 5% pfd.	20	21	—½
†Ft. Wm. Hotel, units	..	47	unch
Hart Battery, com.	4	4½	unch
London & West. Trusts	30½	33	unch
Mont. Deb. Corp., pfd.	2.05	2.65	+.05
Mt. Royal, new com.	3.10	3.75	+.10
Murphy Paint, com.	9	10	—½
Do., 5½% pref.	89	91	+2½
Nat. Hosiery, com.	.70	.90	unch
Do., pfd.	.85	1.25	—.05
†N. Amer. Elev., 1st pfd.	85	..	+1
Do., 2nd pfd.	27	..	+1½
Do., com.	..	1.50	—.10
St. John Dry D., 5½% p.	99½	101½	+½
Supertest Pete., 6% pfd.	25½	27	unch
Tip Top Tailors Inc., un.	9	13	—3
Traders Finance, rts.	7½	8	+½
Viceroy Mfg., 6% pfd.	20½	22½	+½
Waterloo Mfg., new c.	.85	1.10	+.05
West. Can. Hydro, pfd.	11	12½	—½
West. Life, 10% pd.	9½	10½	+½
Windsor Hotel, com.	2	3	—½

* Issue carries arrears.

† Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid July 21	Asked	Bid July 14
Montreal Apts.	4	'54	50	53	50
Nat. Grocers	4	'47	101½	..	101½
N. S. Stl. Coal	3½	'63	82	85	82
Price Bros.	5	'57	92	95	91½
Do.	4	'57	..	87	..
*Prov. Paper	5½	'47	104½	107½	104½
Reliance Grain	4½	'52	99	101½	99
*Restigouche Co.	6	'48	102	104½	102
Rolland Paper	4½	'51	101	103½	101½
Ruddy, E. L.	6½	'48	85	88	84½
Silv. Dairies	6	'66	95	98	94½
Simpsons, Ltd.	4½	'51	100	102½	99½
Smith, Howard	4½	'51	103½	105½	103½
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	98½	100½	99
Stop Shop	3	'47	62	65	62
Unit. Amuse.	5	'56	100	..	100
United Corp.	5	'53	94½	97½	94½
*United Gas	5½	'48	104	107	104
United Gr. Grs.	5	'48	101	104	101
†Western Grain	6	'49	62½	65½	63

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

July 21, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	114.00	117.00	3.74
Hamilton	5	1950	110.25	113.25	3.25
Montreal	5	1945	93.00	96.00	*
Ottawa	4½	1945	104.50	106.00	2.43
†Quebec	5	1959	109.00	112.00	4.02
Saint John	5	1950	105.00	108.00	3.82
†Toronto	4½	1953	110.00	113.00	3.18
†Vancouver	5	1950	99.00	102.00	4.54
Winnipeg	5	1944	100.25	103.25	3.00

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.79	1.98
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	2.95	3.25
Corp. Investors	5.00	5.40
Trans-Canada	8.35	9.25

Annual Meetings

Company	Place
24—Anaconda Oil	Calgary
24—Standard Chemical	Toronto
29—Algoma Steel	S. S. Marie
31—Brown Oil	Calgary
10—United Securities*	Montreal

ndholders.

Mining Dividends

	Rate	July 20	Yield %
go-Huronian	20c	2.00	..
s Interests	†4c	.20	..
r Gold	16c	1.05	15.2
ne	†1c	.03½	..
tie Gold	7c	.58	..
ns River	6c	.65	..
orne	80c+40c	6.05	*19.8
ian Porc.	12c	.40	..
ffalo Ankerite	▲30c	1.43	..
o Gold	$3	8.00	..
Malartic	8c	.36	..
iboo Gold	16c+1c	1.15	*14.7
tral Patricia	16c+2c	.80	*22.5
sterville	▲15c	.60	..
chenour Willans	6c	.62	9.7
nagas	10c	.80	..
niaurum	†7c	.65	..
s Smelters	$1+$1.50	34.63	*7.2
nite	6c	.45	..
Mines	$1.60	13.50	11.8
Malartic	‡5c	1.25	..
ncoeur Gold	▲4c	.20	..
dale Mines	2c	.09¼	..
d Belt	2c	.10	..
ndview	2c	.11	..
ll Wiltsie	†.00½c	.01½	..
nor	40c	1.75	22.8
d Rock	3c	.35	..
ley Mascot	8c	.24	..
linger	65c	7.45	8.7
ey Gold	2c	.15	..
dson Bay	$2	23.50	8.5
Nickel, com.	$2	29.75	6.7
nd Mountain	8c	.88	..
m	▲4c	.15	..
rr-Addison	‡22c	3.80	..
Lake	▲5c	.50	..
kland Lake	8c	.42	..
naque Gold	40c+15c	3.75	*14.7
e Shore	80c	8.00	10
ch	8c	.52	15.4
tle Long Lac	‡10c	.80	..
asa	32c+3c	2.10	*16.6
en R. Lake	3c	.41	..
rtic Gold	▲10c	1.48	..
Gillivray Coal	1c	.10¼	..
Kenzie Red L.	12c	.57	21
eta	8c	.24⅛	..
Intyre-Porc.	$2.22+$1.11	40.00	*8.3
cLeod-Cockshutt	10c	1.15	..
gus	2½c	.34	..
pissing	15c	.87	..
randa	$4	42.75	9.3
th Empire	‡10c	3.75	..
Brien Gold	3c	.55	..
mour Porc.	▲12c	.36	..
io Cons.	‡25c	2.00	..
ymaster Cons.	2c	.17	..
d Oreille	▲6c	1.05	..
ron Gold	16c+1c	.90	*18.8
neer, B. C.	32c	1.35	..
kle Crow	30c	1.62	18.5
er Develop.	25c	5.00	..
mier	8c	.40	*20
ston E. Dome	20c	1.65	12.1
vateer Mines	12c+1c	.29	..
bec Gold	▲2c	.20	..
no Gold	20c	.04	..
Antonio	14c+6c	1.45	*13.8
ep Creek	16c+4c	.70	*28.6
rritt Gordon	10c	.63	..
ma Mines	60c	4.25	..
bak Premier	16c	.50	..
coe	‡3½c	.35	..
rgeon River	2c	.11	..
dbury Basin	2½c	1.35	..
llivan Cons.	‡6c	.54	..
rf Inlet	▲2c	.06	..
vanite Gold	20c	1.35	14.8
ck-Hughes	40c	1.50	26.6
burn	12c+2c	.75	*18.7
per Canada	‡5½	.72	..
ntures	‡15c	3.80	..
ite Amulet	40c	4.20	..
ndigo	3c	.15	..
ight Harg.	40c	2.01	19.9

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
nglo-Can. Oil	▪4c	Aug. 10	Aug. 1
nglo-Can. Tele. p	68¾c	Aug. 1	July 15
gnew Surpass	40+20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
nglo-Huronian	10c	July 31	July 17
ult & Wiborg, p	$1.37½	Aug. 1	July 15
unor Gold	4c	Sept. 1	Aug. 15
. of Toronto	$2.50	Sept. 1	Aug. 15
ertram & Sons	15c	Aug. 15	July 31
Do., extra	5c	Aug. 15	July 31
eatty Bros., 1st p.	$1.50	Aug. 1	July 15
athurst Power, A	25c	Sept. 1	Aug. 7
roulan Porc.	3c	July 31	July 10
lue Ribbon, pfd.	62½c	Aug. 1	July 22
algary Power, p.	$1.50	Aug. 1	July 15
anada Starch, pf.	▪$3.50	Aug. 15	Aug. 8
aldwell Linen, 1st p	38c	Aug. 1	July 15
Do., 2nd pref.	20c	Aug. 1	July 15
Can. South. Rly.	$1.50	Aug. 1	June 30
an. Indust. A B	$1.50	July 31	June 30
. Converters	50c	July 31	June 27
an. Pac. Rly. pfd.	2%	Aug. 1	June 30
an. Nor. Pwr.	▪15c	July 25	June 20
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Bk. of Comm.	$2	Aug. 1	June 30
Cochenour W.	3c	July 25	July 10
Corr. Pap. Box pf.	$1.75	Sept. 1	Aug. 15
an. Bronze	37½c	Aug. 1	July 10
Do., pref.	$1.25	Aug. 1	July 10
anadian Oil, c.	25c	Aug. 15	Aug. 1
an. Wallpaper, A B	$1	Aug. 10	July 31
an. For. Invest., pf.	▪$2	Oct. 1	Aug. 15
an. Investors	10c	Aug. 1	July 18
oast Breweries	3c	Aug. 1	July 15
an. Vinegars	10c	Sep. 1	Aug. 15
an. Bakeries, p.	$1.25	Sep. 1	Aug. 18
rown. Cork	50c	Aug. 15	July 31
om. Ang. Inv., pf.	$1.25	Sept. 1	Aug. 20
om. Scot. Inv., pfd.	50c	Sept. 1	Aug. 20
ominion Stores	▪10c	Aug. 20	Aug. 5
ominion Tar, p.	$1.37½	Aug. 1	July 31
om. Found., pf.	$1.50	Sept. 1	Aug. 20
stillers Seag., p.	†$1.25	Aug. 1	July 15
ominion Bank	$2.50	Aug. 1	July 15
om. Oilcloth	30c	July 31	July 15
Do., extra	10c	July 31	July 15
ranby Cons.	▪†15c	Sept. 1	Aug. 14
randview Mines	1c	Aug. 1	July 1
allnor Mines	10c	Sept. 1	Aug. 15
ydro El. Secs., B p	25c	Aug. 1	July 15
oney Dew	50c	Oct. 1	Sept. 15
edley Mascot	2c	Aug. 15	July 23
udson's Bay	3+*2%	Aug. 14	July 22
ternat. Coal	1½c	July 30	July 22
ter. Nickel, pfd.	†$1.75	Aug. 1	July 2
ter. Metal p & A p	$1.50	Aug. 1	July 15
perial Bank	$2.50	Aug. 1	June 30
ter. Util. pr. pf.	†87½c	Aug. 1	July 21
ter C. Baking	$1.50	July 31	July 21
ter. Holdings	50c	Aug. 1	July 15
err Addison	5c	Aug. 28	Aug. 11
eitch Gold	2c	Aug. 15	July 31
angley's, pfd.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
cGillivray Coal	1c	July 30	July 22
. L. H. & Pr.	38c	July 31	June 30
cIntyre Porc.	55½c	Sept. 1	Aug. 1
at. Biscuit, c. pf.	†$1.75	Aug. 31	Aug. 14
oranda Mines	$1	Sept. 15	Aug. 20
er. Ont. Pwr.	12c	July 25	June 30
Do., pref.	$1.50	July 25	June 30
aton Mfg.	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
ickle Crow G.	10c	Aug. 31	Aug. 15
aymaster Cons.	▪1c	Aug. 15	Aug. 1
Do.	▪1c	Jan. 15 '43	Dec. 31
enmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
rivateer Mine	3c	Aug. 10	July 25
roprietary M.	5c	Aug. 29	Aug. 15
rov. Transport	20c	Aug. 15	Aug. 5
uebec Power	25c	Aug. 25	July 22
egent Knit., c.	25c	Sept. 15	Aug. 31
egent Knitting pfd	‡40c	Sept. 1	Aug. 15
olland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 15
hawinigan W. Pr.	23c	Aug. 25	July 24
gma Mines	▪30c	July 25	June 30
ibak Premier	4c	July 25	July 6
mpsons, pref.	$1.62½	Aug. 1	July 18
aguenay Pr., p.	$1.37½	Aug. 1	July 15
outh Can. Pr., com.	20c	Aug. 15	July 20
er.-Williams, ord.	15c	Aug. 1	July 15
and. Chem.	75c	July 30	June 30
eel of Can.	75c	Aug. 1	July 7
Do., pref.	75c	Aug. 1	July 7
. Law. Flour	35c	Aug. 1	July 20
Do., pref.	$1.75	Aug. 1	July 20
burn Gold	3c	Aug. 22	July 22
ited Corp., A	38c	Aug. 15	July 15
ited Fuel, pf. A	75c	Oct. 1	Sept. 19
ston, Geo., pfd.	$1.25	Aug. 1	July 15
ood, A & J, pfd.	$1.75	Aug. 1	July 15
k Knitting	20c	Aug. 15	Aug. 6
Do., 1st pref.	$3.50	Aug. 15	Aug. 6
., 2nd pref.	$3.50	Aug. 15	Aug. 6
ng-Davidson	2c	July 30	July 20
ers	20c	Aug. 1	July 15
., pref.	37½c	Aug. 1	July 15

ayable in U. S. funds.
ubject to approval of Foreign Exnge Control Board.
Also 40c payable Dec. 1.
Distribution from land sales; not subt to income tax.

Wheat Market Adjusts to New Prices

August 1 Price Shift Absorbs Market Attention

From Our Own Correspondent

WINNIPEG.—For some weeks now the only transactions of any importance in the wheat futures markets have been connected with adjustments to the higher market price which, it is assumed, will prevail after Aug. 1.

On that date, or as soon thereafter as there is any new crop wheat to be marketed, the Canadian Wheat Board will take it from producers at prices based on 90 cents per bushel for No. 1 Northern at the head of the lakes, or 20 cents a bushel higher than the basic Wheat Board price in effect a year earlier.

In the interval the basic price has been advanced by steps of one half cent per bushel at a time, in order to remunerate producers for farm storage, until for the latter part of July it has been 76 cents per bushel. The open market price, however, has been higher during the greater part of the year, with the result that more wheat has been sold on the open market than has been delivered to the Wheat Board.

No "Unearned Profits"

When the government decided to make the Wheat Board basic price for the coming year 90 cents per bushel, it was obvious that farmers would not sell wheat outright for less than that price.

If that should result in open market offerings at 90 cents a bushel or more for wheat, holders of old crop wheat might reap a benefit, an unearned increment arising from government policy in connection with new crop wheat.

To prevent such profits being realized was the object of a number of steps taken by the Wheat Board in pursuance of government policy. Prices for October delivery were pegged on the Winnipeg Grain Exchange (by agreement but practically under instructions from the Wheat Board) at 90 cents a bushel. That meant that transactions under that price were forbidden, although the possibility of sale at that price was not guaranteed. Then, by a complicated series of transactions, those who had either bought or sold wheat for October delivery were compelled to adjust their commitments to the higher price.

The effect, although not the actual process, might be described by saying that the Canadian Wheat Board impounded all Canadian wheat in Canada or the United States at the open market price prevailing on a certain date, and undertook to sell it back to holders on the basis of 90 cents a bushel for October delivery. A considerable series of transactions was required on the part of those who had bought or sold wheat for delivery in July or later, or who owned actual wheat which had not been so sold, with the Wheat Board taking the part either of buyer or seller as might be required. Most of these transactions have now been completed, although a few will remain to be disposed of after July 31.

Carrying Charges

Interesting feature of the change is the increased financial burden put on elevator companies carrying stocks of wheat which they own. Having hedged such wheat in July, and kept their hedging sales margined to the market, they were entitled to receive approximately 82 cents a bushel for it. Now they will be entitled to receive approximately 90 cents a bushel in October for it.

But in exchange for that benefit they must immediately put up the difference, in cash, which cash, through the mechanism of the market, is mainly transferred to the Canadian Wheat Board. Because of the transactions in question, the elevator companies will for some months be borrowing several million dollars more from the banks, and the Wheat Board borrowings will be less by the same amount. But as the elevator companies will recover their money in due course, and be able to repay the banks, this feature of the situation is not as important as it is interesting.

Will Market Function?

A more important question at the moment is whether or not the market will be able to keep functioning at the 90-cent level or higher. If Canadian millers find it necessary still to come to the market when they need wheat for domestic milling, they will have to pay something over the Wheat Board price for it, otherwise farmers would not sell.

Probably if they bid 91 cents they would not be offered more than they need, and at times the market might conceivably go several cents a bushel higher. In spite of the fact that there is likely to be a lot of wheat in the country, elevator congestion will permit deliveries to be made only at a very slow rate.

Besides the buying of Canadian mills, some buying from American mills for their bonded export trade is to be expected, and perhaps some continuation of the former business in low grade wheat for feeding. But if the millers have to pay more than 90 cents a bushel for their wheat they will lose money by selling flour at ceiling prices, and will have a claim against the Wartime Prices and Trade Board. That could be avoided by letting them buy their wheat at a lower rate, direct from the Canadian Wheat Board.

In that event there would be so little buying in the wheat market that quite conceivably it would be unable to function.

Subsidy Inevitable

Probably to the Dominion Treasury it makes little difference which method is followed. Under government policy one basic wheat price applies for the benefit of producers, and a different, and slightly lower one, for the benefit of consumers. That makes a cost to the government inevitable, either as additional loss through the Canadian Wheat Board, or as a subsidy paid to consumers through the milling industry.

There will be some decided disadvantages in the technical handling of the wheat business if the market is unable to operate, involving perhaps some additional cost to the Wheat Board or to the Dominion Government, and perhaps inconveniences in financing. And there will be disadvantages to those farmers who might have received a slightly higher price for their wheat. Presumably those are Manitoba and Saskatchewan farmers. Alberta farmers, who are somewhat more favored by the Wheat Board price basis, by being paid on the basis of Vancouver freight rates, have less interest in the open market.

Up to the present it is not known how the government and the Wheat Board intend to deal with the question of wheat for Canadian millers. On that decision will rest the probability or reverse of some farmers during the coming year getting something more than the 90-cent basic price for their wheat.

O.P.A. Opposes Price Change

Urges Publishers Not to Pay for Additional Delivery Charges on Paper

From Our Own Correspondent

MONTREAL.—U. S. Office of Price Administration has again cracked down on Canadian newsprint producers who have been endeavoring to secure a better price for their product.

A spokesman of the O.P.A. urges newspaper and magazine publishers to resist attempts by newsprint producers to collect higher-than-ceiling prices through "illegal" delivery schemes.

Under an arrangement which has been in effect for many years the newsprint producers have a base price for their product at certain Atlantic, Gulf and Great Lakes' ports. Publishers inland from those ports and in certain clearly defined areas pay a higher price depending upon rail transportation charges. With water-borne shipping almost at a standstill, manufacturers have been seeking authority from the O.P.A. to permit them to adjust prices to compensate them for the higher rail delivery charges as compared with water-borne shipments.

The O.P.A. said that publishers, particularly along the Atlantic and Gulf coasts, have been induced to accept newsprint deliveries in nearby, adjacent or surrounding zones where the price ceilings allow the producer to charge more than when the delivery is made at ports.

Under this arrangement the publishers, says the O.P.A., have been forced to arrange and pay for transportation of the newsprint shipment from the zone or port where the plant is located. As a result, the O.P.A. says, producers have received higher prices and the publishers have incurred additional transportation charges.

Where the publisher has been accustomed to pay port prices on newsprint deliveries, the O.P.A. states, "this practice automatically punctures the price ceiling and constitutes an evasion and violation of the regulation by the producers as well as the purchasers who agree to buy under such conditions of sale."

"Newsprint designed for use in seaports, where the price is fixed by the regulation cannot be sold or purchased for more than $50 per ton port price," the O.P.A. said. Publishers were requested to report any case where producers or sellers were attempting to collect higher prices by requiring them to accept delivery at unusual points and higher prices.

Barge Newsprint To New York City

From Our Own Correspondent

MONTREAL.—About 20,000 tons of newsprint paper, formerly carried by rail, are expected to be handled over the barge canal route from Oswego, to New York City this season.

Quebec North Shore Paper Co. is already using this route for shipping paper from the Baie Comeau plant.

It is stated the associated company, Ontario Paper Co., will use the same route for shipping paper from the Thorold plant.

Wheat Prices

Winnipeg Grain Futures

Week to July 20, 1942

year from Aug. 1, 1941 Low		High for week	Low for week	Close July 20
	Wheat			
.77½	July	.80⅝	.80⅝	.80⅝
.90	Oct.	.90	.90	.90
	Oats			
.42⅛	July	.51½	.51⅛	.51½
.46	Oct.	.48¼	.46⅜	.47¾
.45½	Dec.	.46¾	.45½	.45⅝
	Barley			
.55⅛	July	.64¾	.64¾	.64¾
.57	Oct.	.62	.60¾	.61¾
.60⅝	Dec.	.61¾	.60⅝	.61¾
	Rye			
.54⅛	July	.56¾	.54¾	.55¼
.55⅝	Oct.	.58½	.55¾	.56⅝

Cash Quotations

	For Week July 20		Prev. Week	
Wheat:	High	Low	High	Low
1 Hard	.80⅝	.80¾	.80⅝	.80½
1 Nor.	.80⅝	.80¾	.80⅝	.80½
2 Nor.	.77⅝	.77¾	.77⅝	.77½
3 Nor.	.74⅝	.74¾	.74⅝	.73⅞
4 Nor.	.71⅞	.71¾	.71⅝	.71½
5 Wheat	.70⅜	.70¼	.70⅛	.70
6 Wheat	.69¼	.68¼	.68⅛	.68
Feed	.65⅞	.65⅝	.65⅝	.65½
Oats:				
2 C. W.	.51½	.51½	.51⅛	.51⅛
3 C. W.	.51½	.51⅛	.51⅛	.51⅛
Barley:				
1 Feed	.64¾	.61⅝	.64⅝	.64⅝
2 Feed	.63¾	.61¼	.64⅝	.64⅛
Rye:				
2 C. W.	.56⅝	.54¾	.56⅞	.55¼

Company Reports

Niagara Wire Weaving

Niagara Wire Weaving Co., maker of wire mesh cloth, wire-weaving machinery and similar products largely used by the paper-making industry, reports net profits for the year ended Mar. 31, 1932, of $2.25 a share on its common against $2 the previous year.

E. J. Buell, president, reports that operations were at high levels reflecting the rate of operation in the paper industry.

Income and Surplus Account
Years Ended Mar. 31

	1942 $	1941 $
Net profit	258,961	230,064
Less: Common divds.	230,000	230,000
Surplus for year	28,961	64
Add: Previous surplus	469,159	469,095
Earned surp. forward.	498,120	469,159
Earned per share:		
Common	$2.25	$2.00
Paid	2.00	2.00

Working Capital

	$	$
Current assets	950,701	917,286
Current liabilities	384,710	292,192
Working capital	565,991	625,094

Mayor Building

Mayor Building Ltd. reports a gross income in the year ended Apr. 30, 1942, of $89,602. After provision for expenses and bond interest at the rate of 3% per annum, there was a surplus of $18,512. Deferred interest charges totalled $20,162, leaving a deficit of $1,650 which reduced the surplus account to $19,973. Comparative figures for the previous year are not available.

As of April 30, last, first mortgage bonds outstanding totalled $559,400 and deferred interest, $100,692. Current assets totalled $12,393 against current liabilities amounting to $456.

No provision was made for depreciation during the past year.

Income and Surplus Account
Year Ended April 30, 1942

	$
Gross revenue	89,602
Less: Expenses	51,170
Bond int. (3%)	17,283
Trustee fees	2,637
Net income	18,512
Less: Deferred int.	20,162
Deficit	1,650
Previous surplus	9,391
Add: Misc. credits	12,232
Surplus forward	19,973

Balfour Building

Balfour Building Ltd. reports gross income of $92,264 for the year ended April 30, 1942. After all charges, including interest, there was a deficit for the year of $28,688. Comparative figures for the previous year are not available.

The balance sheet as of April 30, last, shows outstanding $710,800 of first mortgage bonds on which deferred bond interest totalled $183,031. In addition, there is a bank loan of $52,000 together with unpaid interest of $4,612. Liability to A. Janin & Co. totalled $88,260 and to C. G. Tonnancour, $485,842.

Income and Surplus Account
Year Ended Apr. 30

	1942 $
Gross income	92,264
Less: Expenses	60,937
Bond interest	21,453
Net profit	9,874
Less: Def. bond interest	21,452
Bank loan interest	2,593
Notes payable	3,801
Note interest	10,716
Deficit	28,688

Ontario Building

Ontario Building Ltd., reports little change in position. During the year ended April 30, operating revenue of $84,118 compared with $81,749. Expenses were higher, leaving net income available for depreciation and interest at $28,401, as against $30,806 the preceding year. During the 1942 fiscal year, the company paid 3% on its bonds.

The balance sheet as of April 30 shows a somewhat stronger cash position. Bonds outstanding were reduced from $757,800 to $755,300.

Income and Surplus Account
Years Ended Apr. 30

	1942 $	1941 $
Oper. revenue	84,118	[illegible]
Less: Expenses	55,812	[illegible]
Net oper. income	28,306	30,806
Other income	95	......
Gross income	28,401	30,806
Less: Depreciation	9,590	9,589
Interest, etc.	49,802	49,011
Net loss	30,991	27,794
Previous deficit	223,681	215,044
Add: Off. furn. adjust.	478	......
Depreciation	......	105,705
Less: Interest	862	9,625
Interest w/o	......	115,237
Deficit forward	254,288	223,681

Can. Gen. Investments

Canadian General Investments Ltd. reports net profits for the six months ended June 30, 1942, of 38 cents a share on its common against 34 cents a share for the corresponding period of 1941. Net income is up slightly more than 10%.

Net assets of the trust as at June 30 last had a value of $6.8 millions. This compares with $7.3 millions at Dec. 31, 1941, a decrease of about 8%. On a per share basis, net assets at June 30 last were equivalent to $11.24 a share which compares with $12.22 a share at Dec. 31 and $11.86 a share at June 30, 1941.

Changes in portfolio resulted in net profits of $1,142 in the past six months. This has been added to capital surplus distributable account, bringing the balance to $3.5 millions.

Income and Surplus Account
Six Months Ended June 30

	1942 $	1941 $
Total income	242,453	221,129
Less: Management fee	12,500	12,500
Directors' fees	1,310	1,320
Miscellaneous	1,588	1,770
Net before inc. tax	227,055	205,539
Less: Dividends	150,145	150,145
Surplus before tax	76,910	53,394
Add: Prev. surplus	630,990	531,456
Surp. fwd. before tax.	707,901	586,850

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.66	$10.82	$8.65
Hogs	15.82	15.75	14.40
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2014	.2070	.1646
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.80⅝	.80⅝	.76½
Coffee, lb.	*.09⅜	.09⅜	.09
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.5	98.5	88.1
Wood, Gundy	77.3	77.2	74.8
Dow Jones (fut.)	85.29	86.42	73.43
Fishers	108.2	108.4	95.4
Monthly Indices			
Canada (D.B.S.):			
Retail (June)†	116.7	116.1	110.5
W'sale (June)	95.8	95.2	90.1
U. S. (Apr.)	98.8	97.6	83.2
Gt. Brit. (Apr.)	159.6	158.8	150.9

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Saguenay Power Revenue Rises

From Our Own Correspondent

MONTREAL.—Due to continuing favorable water conditons, operating revenue of Saguenay Power Co., and fully owned subsidiaries, except Saguenay Electric Co., recorded a further improvement in the second quarter of 1942.

Operating revenue was just short of $1.7 million, an improvement of $150,000 over the like period a year ago. Net income amounted to $422,031, and after paying the usual preferred dividends, net profit was equivalent to $1.68 a share in the common stock. This contrasts with $1.17 a share earned in the second quarter of 1941.

The company reports total power generation in the second quarter of 1942 was 723 million kw.h. Including 29 million kw.h. of power purchases, 753 million kw.h. of electrical energy were delivered to customers, as compared with 712 million kw.h. in the preceding quarter.

Cons. Income and Surplus Account
Three Months Ended June 30

	1942	1941
Oper. revenue	1,681,626	1,537,773
Less: Oper. expenses	195,605	305,599
Misc. tax	92,112	83,095
Add: Other income	18,195	41,340
Net revenue	1,412,104	1,191,319
Less: Bond interest	351,729	363,875
Other interest	212	212
Bond amort.	44,144	44,144
Depreciation	182,455	183,670
Tax provision	411,533	285,028
Net profit	422,031	314,392
Less: Pfd. divds.	68,752	68,752
Com. divds.	157,500	157,500
Surplus	195,779	88,140
Previous surplus	4,166,331	3,632,398
Surplus forward	4,362,110	3,720,538

Bralorne Output Slightly Lower

Company Installs Plant For Treatment of Outlined Tungsten Ores

A slight decrease in tonnage of ore milled and gold output was experienced by Bralorne Mines the second quarter of 1942.

During the June quarter, a total of 46,690 tons of ore milled compared with 49,393 tons the first quarter of the year. Recovery amounted to 24,240 oz. of gold compared with 24,846 oz. the preceding three months.

Value of output was $933,240 in the June quarter against $993,763 in the corresponding quarter of the previous year.

Labor Situation Difficult

Shortage of labor curtailed development in some parts of the mine, it is noted, but development work on the 15th and 16th levels gave satisfactory results. Earnings of subsidiaries, Summit King Mines and Buccaneer Mines, have been affected by a labor shortage and both are operating on a reduced scale at present.

Work is proceeding at the Bralorne mine on installation of a small plant for treatment of scheelite tungsten ore. Although only a small tonnage of ore has been developed to date, the company decided to go ahead with a plant due to the urgent need for this metal.

Drilling results on the placer tungsten prospect on Canadian Creek, Yukon Territory, proved disappointing. Work has been discontinued and option relinquished.

Open Highways To U.S. Trucks

Long-disputed attempt to get permission from Canada for United States trucks to cross southern Ontario has at last been successful. National Revenue Minister Gibson states that, in response to an urgent request from the United States government, an order-in-council has been passed authorizing use of Ontario highways under closely limited controls.

War materials only are to be carried in bond between Windsor and Sarnia and the Niagara district and the permission, given under the authority of the War Measures Act is for the war's duration only. U. S. army trucks already have permission to cross Canadian territory free of customs regulations.

The arrangement includes provision for collection of the equivalent of Canadian gasoline taxes to provide revenue to compensate for wear and tear on the highways.

This proposal was first broached long before the war started but always met strong opposition from railways and railway unions and in some cases from municipalities through which the probable routes passed. As a war measure, however, the proposition has been adopted following investigation by the Board of Transport Commissioners and conferences between U. S. representatives, the Dominion and Ontario. The saving in gasoline, tires and truck miles will be substantial and is estimated at around 140 miles as compared with the U. S. route around the southern shore of Lake Erie.

Advertisers Postpone 1942 Annual Meeting

Annual convention of the Financial Advertisers Association scheduled for Chicago beginning Oct. 26 has been cancelled. First reason was the request from both U. S. and Canadian governments that convention travel be reduced, and, second, nearly 700 Association members are engaged in the advertising and sales promotion campaigns for war bonds and stamps.

Now being considered is a "Convention-by-Mail," the idea being to develop a method whereby all Association members could "sit in" by mail on a programme equivalent to that which they would have heard at the Chicago convention.

Abitibi Earns Less in June

Net earnings of Abitibi Power & Paper Co., before interest, depreciation and income taxes, for June this year were $557,920 compared with $718,108 a year ago. For the first six months of 1942, Abitibi has earned $4.4 millions, approximately $600,000 more than in the first half of 1941.

The receiver's estimates of newsprint shipments for July suggest another decline in earnings and will take total shipments for the first seven months of 1942 slightly below the corresponding period of 1941. Shipments of bleached sulphite and groundwood pulps, on the other hand, are well ahead.

Monthly Earnings	1942 $	1941 $
June	557,920	718,108
6 mos.	4,445,493	3,849,131
Newsprint Shipments	1942 Tons	1941 Tons
June	26,806	35,384
July	*24,000	38,825
7 mos.	232,596	234,937
*Estimated.		
Pulp Shipments	1942 Tons	1941 Tons
June	9,272	7,220
July	9,000	8,144
7 mos.	69,792	48,158

DIVIDEND NOTICES

AUNOR GOLD MINES LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Four (4c) Cents per share, payable in Canadian Funds, has been declared by the Directors of AUNOR GOLD MINES LIMITED, payable September 1, 1942, to shareholders of record at the close of business August 15, 1942.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, July 20, 1942.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of One ($1.00) Dollar per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable September 15, 1942, to shareholders of record at the close of business August 20, 1942.

By order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, July 21, 1942.

Proprietary Mines Limited

DIVIDEND NO. 6

NOTICE is hereby given that a Dividend of Five cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on August 29th, 1942, to shareholders of record at the close of business on August 15th, 1942.

By Order of the Board,
J. INGRAM,
Secretary-Treasurer.
Toronto, Ont., July 17th, 1942.

Hallnor Mines Limited

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Ten Cents (10c) per share, payable in Canadian funds, has been declared by the Directors of HALLNOR MINES, LIMITED (No Personal Liability) payable September 1, 1942, to shareholders of record at the close of business August 15, 1942.

By order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, Ont., July 21, 1942.

Canadian Wallpaper Manufacturers Limited

NOTICE is hereby given that a dividend of One Dollar ($1.00) per share has been declared on the Class A. and Class B. shares of the Company, payable on and after August 10th, 1942, to shareholders of record at the close of business on July 31st, 1942.

By Order of the Board,
JOHN PRESCOTT,
Secretary-Treasurer.
Toronto, July 20th, 1942.

— RECLEANED WESTERN —
...OATS...
AND OTHER GRAINS
BULK or SACKED
All Grain Selected from Our Elevators in the Finest Growing Districts of Western Canada
Prompt Shipment From Fort William
For Quotations Write or Wire
NATIONAL GRAIN Co. LTD.
WINNIPEG

THE ALBERTA PACIFIC GRAIN COMPANY
LIMITED
(*Licensed and Bonded with the Board of Grain Commissioners*)
OPERATING
464 Country Elevators
73 Flour Warehouses
227 Coal Sheds
Terminal Elevators at Vancouver and Port Arthur
(Capacity—9,661,500 Bushels)
Offices: Calgary and Winnipeg
(36)

NORRIS GRAIN COMPANY
LIMITED
C. C. FIELDS, Pres. *GEO. S. MATHIESON, Vice-pres.*
C. E. BABBITT, Sec'y.
Grain Merchants, Shippers and Exporters
709 Grain Exchange, Winnipeg
NEW YORK CHICAGO KANSAS CITY TOLEDO
ST. LOUIS BALTIMORE LONDON LIVERPOOL

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

Since 1857
James Richardson & Sons
LIMITED
Grain Merchants
Shippers and Exporters
HEAD OFFICE
WINNIPEG
Branches Throughout Canada

DIVIDEND NOTICES

UNITED GRAIN GROWERS LIMITED

Dividend No. 32

Notice is hereby given that a dividend at the rate of 5 per cent per annum has been declared on the paid-up capital stock of the Company, including both Class "A" and Class "B" shares for the year ending July 31st, 1942.

The dividend will be payable on the fifteenth day of September, 1942, to shareholders of record of July 31st, 1942. Transfer books of the Company will be closed from July 25th, 1942, to July 31st, 1942, inclusive.

By order of the Board.
CHAS. C. JACKSON,
Secretary.
Winnipeg, Man.
July 8th, 1942.

The Bank of Toronto

DIVIDEND NO. 244

Notice is hereby given that a **Dividend of Two and One-half** per cent upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of September next to shareholders of record on August 15th, 1942.

By Order of the Board.
B. S. VANSTONE,
General Manager.

KERR-ADDISON

GOLD MINES LIMITED
(No Personal Liability)

INTERIM DIVIDEND NO. 13

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on August 28th, 1942, to shareholders of record at the close of business on August 11th, 1942.

By Order of the Board.
G. A. CAVIN,
Secretary-Treasurer.
Toronto, Ontario,
July 17th, 1942.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 239

Notice is hereby given that a dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of August, 1942, to shareholders of record of the 15th July, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 11th June, 1942.

The John Bertram & Sons Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 15c per share and an extra 5c per share has been declared on the outstanding Common Stock of the Company, payable August 15th, to Shareholders of record July 31st, 1942.

By Order of the Board.
J. T. ROSS,
Secretary.
Dundas, July 7th, 1942.

York Knitting Mills, Limited

DIVIDEND NOTICES

Notice is hereby given that a dividend of 3½% has been declared on the First Preference Stock of the Company for the six months ended June 30, 1942, payable August 15th, to shareholders of record at the close of business on August 6, 1942.

Notice is hereby given that a dividend of 3½% has been declared on the Second Preference Stock of the Company for the six months ended June 30, 1942, payable August 15th, to shareholders of record at the close of business on August 6, 1942.

Notice is hereby given that a dividend of 20c per share has been declared on the Common Stock of the Company for the six months ended June 30, 1942, payable August 15th, to shareholders of record at the close of business on August 6, 1942.

By Order of the Board,
WM. A. CLARKE,
Secretary.
Toronto,
July 17, 1942.

Mining INVESTMENTS

An easing of restrictions on employment of further labor has been granted to British Columbia gold mines. Under modified regulations, the gold mines may now hire keymen required to maintain their present level of operations.

The B. C. gold mines consider this as an important concession by the Dominion authorities. Previously they had been prevented entirely from hiring further men until the needs of base metal camps had been satisfied.

The modification in the Dominion regulations follows protest by mining executives and B. C. Minister of Mines Herbert Anscomb. It had been pointed out to the federal authorities that gold mines were not responsible for the shortage of labor at the base metal mines and that actually gold mines had reduced their employment of labor over the past year.

* * *

Base metal mines in British Columbia have really been feeling the effects of labor shortage. Here is what the quarterly statement of Granby Consolidated Mining, Smelting & Power Co. has to say about the situation:

> "Due to war demands, there was an increasing labor shortage during the past six months, which resulted in reducing our development work. The decline in income for this quarter was due in large measure to the limited number of better grade stopes which could be made available for mining. Under recent orders of the government, labor turnover is now restricted and it is hoped that this will aid in the restoring of our mining force to the number required for maximum operations."

Granby is now taking steps to expand its production rate by 10% and other B. C. base metal producers may also be included in plans for expanding base metal production. This being the case, supplying base metal mines with adequate supplies of labor may still prove a real problem. Deferments of military service, as announced, will help maintain the present supply, but will not help break the labor shortage bottleneck.

* * *

Four iron mines may be in production in the Michipicoten area before the war is over. The Helen mine of Algoma Steel Corp. is at present the only producer but three other properties capable of production may possibly be available.

The Sherritt Gordon-Frobisher Exploration Co. project, Michipicoten Iron Mines, is sinking a 1,000-ft. shaft and officials hope that high grade lump ore will be shipped this fall. Besides the Josephine mine, from which this production is proposed, Michipicoten Iron Mines has located another siderite deposit, a possible concentrating proposition. Diamond drilling is being carried out to determine the extent of the deposit.

In the annual report of Algoma Steel Corp., released this week, it is stated that a large deposit of low grade magnetite has been found. This suggests further productive possibilities. A large tonnage of ore has been outlined by surface exploration and diamond drilling carried out.

* * *

Powell Rouyn Gold Mines is in the fortunate position of being a gold producer of first rank importance in production of base metals.

In copper smelting operations, a certain amount of flux is essential for clearing off impurities. Sometimes suitable fluxing material is difficult to secure and a base metal mining operation may have to go to considerable lengths to secure it.

Powell Rouyn's gold ore has a high silica content and is very desirable as a smelter flux at the adjoining Noranda plant. While the company's revenue still comes from gold production, the fact that the ore has a high silica content brings many of the advantages enjoyed by the base metal mining industry during wartime, it is stated.

No Hindrance to Prospecting Planned by 'Freezing' Order

Fears of prospectors and mining men that the Metals Controller's "freezing" order of June 22 makes prospecting for strategic metals illegal without a special permit are without foundation, The Financial Post is informed. That was not the intent of the order and no regimentation of prospectors was planned.

As explained to The Post, the order was directed at developing and producing mining properties—where work is already below the surface—and not to prospecting as such. Possibly the order might be interpreted as affecting prospecting at some later date, in the light of new developments, but at present no licensing of prospecting is planned.

What Prospectors Can Do

Prospecting—which can be definitely carried on without a permit—includes surface exploration for minerals and stripping, test pitting and blasting for samples. These are all permissible without any communication with the Metals Controller.

Prospecting can be carried out for any metal or mineral and the prospector is not limited to strategic metals in his search. The physical impossibilities of bringing gold properties into production at the present time are expected to bar any broad hunt for gold.

Gold Finds Have Value

There is a good reason for not excluding gold from the list of minerals for which the prospector can search, however. It is pointed out that scheelite, tungsten ore, often occurs in quartz veins which carry gold values. It would be an undue hardship if the prospector were not allowed to stake a gold discovery made in the course of his prospecting for tungsten or some other mineral. Any gold deposits found may prove a valuable asset after the war, it is considered.

While prospecting — as defined above—can be done without permit, further opening up of properties definitely requires one. A permit is required before diamond drilling, shaft sinking or similar intensive exploration is undertaken. The granting of such a permit, however, is considered a strong assurance that the Metals Controller's department will take an active interest in securing the necessary priorities for equipment and supplies and that an active interest will be taken in speeding up development on a likely looking prospect.

It is understood that the Metals Controller has the power to make a charge for granting a permit for operation of a mining property. This matter has been discussed in some mining circles. A number of mining men have already gone on record as opposing the levying of any such charge.

Kerr-Addison Net Sustained

Final Hole in Deep Drilling Campaign Cuts Five Shoots

Although the company's exemption from the 18% corporation tax expired Nov. 1, 1941, Kerr-Addison Gold Mines is maintaining the record level of earnings established last year, statement for the June quarter indicates.

Estimated net profit of $601,364 for three months ended June 30, 1942, was equal to 12.7 cents a share or an annual earnings rate of 50.8 cents a share. In the year ended Dec. 31, 1941, earnings were 51.8 cents a share.

Second Highest Output

Production value of $1,603,412 for the June quarter was only exceeded in the September quarter last year when $1,669,617 was recovered. A total of 188,587 tons of ore were milled in the June quarter for an average recovery of $8.50 a ton. Milling rate showed little change from the two previous quarters and it is not expected the recent freezing order will have any serious effect on current level of production.

Taxes in the June quarter totalled $259,496 or double the average quarterly rate of last year.

During the June quarter, development work was carried on to determine size and grade of known ore bodies and some exploration was performed on ground adjacent to these ore bodies. Results can generally be considered as favorable, President J. Y. Murdoch reports.

Shaft Down 2,566 Ft.

The final deep hole in a series of six drilled from the 1,300-ft. level gave five intersections of good grade ore at depths varying from 1,390 to 2,125 ft. below the surface. At the end of the quarter, the No. 3 shaft had reached a depth of 2,566 ft. leaving 220 ft. to complete the present shaft-sinking programme.

The labor shortage continues without any signs of betterment, the company reports, but to date sufficient work has been done to continue the increase in ore reserves. Work of completing and making certain changes in some of the residences of the employees has been continued. Work has also been done on improvement of the townsite.

Big Output Boost For Lake Shore

Almost twice as much gold was turned out by Lake Shore Mines in the three months ended June 30, 1942, as in the preceding three months, the company reports. This indicates a gradual recovery from the Kirkland Lake strike which ended Feb. 12.

A total of $1,759,742 was recovered from 102,515 tons of ore in the June quarter this year compared with only $981,492 from 61,935 tons of ore the preceding quarter. Production in the latest period was the highest since the September, 1941, quarter, before the strike, when $2,171,515 had been recovered from 140,654 tons of ore milled.

Brown Oil Corp. Loss Higher

Interested in New Test Well on Jumping Pound Structure

Although substantial savings were reported in operating and administrative charges in the year ended Mar. 31, 1942, Brown Oil Corp. experienced a higher loss due to a decline in production revenue by a third.

Loss for the year was $14,927 after all charges—including $58,819 for development write-off — compared with $3,169 loss the previous year. While working capital was only $1,517 at Mar. 31, 1942, the company had advanced a total of $120,456 to Chinook Oils and Baroils, two associated companies, this amount not being included in working capital.

Baroils, in which Brown Oil Corp. holds a 10% interest, held 50,000 acres in the Jumping Pound area. The Shell-Norman No. 1 well is to be drilled in this area with drilling to commence before the end of the month.

Income and Deficit Account
Year Ended Mar. 31

	1942 $	1941 $
Sales, less royalties ..	93,422	153,636
Less: Prod. expenses .	25,868	40,907
Net operat. income ..	67,554	112,729
Add: Other income ..	6,663	2,334
	74,217	115,063
Less: General exps. ..	7,359	20,296
Net earnings	66,858	93,767
Less: Depreciation ...	5,998	13,479
Debenture interest..	16,970	14,550
Develop. w/o	58,819	68,796
Expend. No. 3 well..	......	1,099
Bond loss	......	12
Net loss	14,927	3,169
Preferred dividends ..	......	8,400
Deficit forward	14,927	11,569
Add: Prev. surplus ..	35,892	*29,134
Excess devel. pr. yrs.	......	76,595
Surplus forward	20,965	35,892
*Deficit.		
No. of Shs. Outstand.	1,900,005	1,900,005
Working Capital		
Current assets*	10,364	57,689
Current liabilities	8,847	10,461
Working capital	1,517	47,228

*Excluding advances to associated companies which totalled $120,456 in 1942 and $40,000 in 1941.

Steel Co. of Canada has completed plans and is starting work immediately on installation of a new Bessemer furnace and an electric furnace, according to American Metal Market. This plant extension, with other equipment needed, is to cost about $2¾ millions and will give substantial added capacity.

McIntyre Profit Edges Higher

Net Equals $1.05 Share in June Quarter—Taxes Lower

Estimated net profit of $836,202 or $1.05 a share realized by McIntyre Porcupine Mines for the three months ended June 30, 1942, was approximately $23,000 or three cents a share higher than earnings reported in the corresponding period of 1941.

While operating costs were higher, the increase was more than offset by a gain in the company's gross income.

Gross Income $61,040 Up

Gross income in the June quarter amounted to $2,471,007 or $61,040 more than the June, 1941, quarter. The increase in operating cost was only $37,291.

Depreciation charges were narrowly higher but appropriation for taxes was lower. The $388,535 charged for taxes in the June, 1942, period represented a decrease of $5,939 in the allowance from the June, 1941, quarter.

On the basis of results in the June quarter, profits are running close to those of the fiscal year ended Mar. 31, 1942. Earnings for this period were $4.29 a share compared with an annual earnings rate of $4.20 a share indicated by the profit for the June, 1942, quarter.

The Week In Oils

From Our Own Correspondent

CALGARY.—Turner Valley, Canada's most important producing oil field has passed another milestone. During May, its cumulative production rolled past the 50 million barrel mark. With current output at a rate exceeding 10 million bbls. per year, the 60 million bbls. milestone should be passed in mid-1943.

Value of oil produced in Turner Valley is now upward of $100 millions. From its ordinary peacetime role, the field is more and more changing over to a war source of fuel for tanks and trucks of our mechanized army, high-grade aviation fuel for the many training aircraft in the Canadian West, and to a source of "fighting grade" aviation fuel for fighters and bombers meeting the Jap menace on the Pacific.

* * *

Output Sources

Turner Valley's May 1942 output of 866,675 bbls. boosted the field's total production to 50,172,984 bbls.

Turner Valley crude oil wells—which became an important production factor in 1936—account for a total of 37,670,831 bbls. to May 31, 1942. They account for 4,111,947 bbls. out of the 4,266,761 bbls. produced by Turner Valley during the first five months of 1942.

Turner Valley gas wells—which showed their first production back in 1925, and accounted for a peak of 1¼ million barrels yearly in 1930 and 1931—produced a total of 8,085,176 bbls. to May 31, 1942, of which only 14,054 bbls. was produced during the first five months of this year.

Natural gasoline, extracted at absorption plants from Turner Valley's natural gas, has totalled 3,942,714 bbls. from commencement of production in 1922 to May 31, 1942. Of this total, 138,237 bbls. was produced during the first five months of this year.

Shallow sand production from Turner Valley, which commenced back in 1914, reached a total of 474,263 bbls. by May 31, 1942, with 2,523 bbls. being accounted for during the first five months of this year.

The Turner Valley production rate during the first five months of this year was around 10,250,000 bbls. per year. During 1941, actual production totalled 9,830,343 bbls., with crude oil wells accounting for 9,504,111 bbls., gas wells 27,096 bbls., natural gasoline 293,122 bbls. and shallow crude wells, 6,014 bbls.

* * *

Taber Well Looks Good

With a total oil recovery of about 3,400 bbls. in 15 days since production test of the Sunburst sand commenced July 2, the Standard Oil of British Columbia-Nassau Exploration Co. joint Taber-Province No. 1 well was temporarily shut in July 16, after having provided fairly definite assurance that it is the best oil producer yet completed in Alberta outside of Turner Valley.

The well's excellent performance to date, with daily oil yield running as high as 330 bbls. has been obtained by swabbing. The well will go back on production as soon as a heavy duty pump can be secured in the United States and delivered at the site.

The pump order has been submitted to priorities officials, and no delay in its fulfillment is anticipated. Meanwhile, the operator (Standard) is negotiating with certain western refineries for the marketing of the crude, which is a heavy sweet oil with a gravity of 17 to 18 degrees. It is also expected that Standard and Nassau will stake a second well-site, probably an offset to the discovery producer, in the near future.

Taber-Province No. 1 is now bottomed at 3,181 ft., with production string of casing set at 3,155 ft. Drilling was originally carried to 3,274 ft., with water showing up in the Ellis shale and in the top of the Madison lime. Plugged back to the Sunburst oil zone (3,161—3,173 ft.), the water shut-off was highly successful. No formation water has shown up during recent tests.

* * *

Major 7 Improves

Placed on production some time ago with an initial yield of only five bbls. hourly with aid of input gas, north extension completion Major Oil Investments No. 7 did not look like a spectacular producer. A 500-gallon shot of "mud acid" was applied, followed by a treatment of 1,000 gallons of regular acid, however, and after returning input oil, the well flushed 496 bbls. of new oil in 11 hours, then gave 982 bbls. in a flush 24-hour run through the tubing. It continued to flow between 35 and 40 bbls. hourly until a week or so ago, when the well was "killed" and acidized further.

The upper and lower porous zones each received a further 2,000 gallons of acid. Kicked off, the well returned input oil and commenced flushing new oil at 70 to 80 bbls. hourly. The well was then killed again and 3,000 gallons of acid was applied to the upper zone and 5,000 gallons to the lower. It is believed that the well will rank among the field's leading producers.

* * *

Foothills Big Well

North extension test Foothills No. 10, which drilled 1,753 ft. into the Madison to penetrate two thick a two narrow porous horizons, w placed on production with an initi flow of 34 bbls. hourly, runnin with booster gas aid.

The well has been given a secon and probable final acid treatme with 1,000 gal. going into the midd porous zone and 4,000 gal. i the lowest horizon. After this t well flushed at 70 bbls. hourly. T uppermost porous zones at this w are not being treated with acid. Li Major No. 7, Foothills No. 10 is al expected to rate among the leadi producers in the field.

Nickle, Crone & Co. Opens In New York

Opening of offices at 30 Pine St., New York City, is announced by Nickle, Crone & Co.

The firm was formed recently to provide in the United States a specialized brokerage service in Canadian securities, it is stated. A complete trading and statistical service in Canadian securities is being provided by the firm.

Partners are Douglas Crone, formerly of Toronto, and S. C. Nickle of Calgary. Mr. Nickle was recently elected a member of the Toronto Stock Exchange.

Oil Royalties

Producing Wells — Prices and Payments

	July daily allow. bbls.	June daily allow. bbls.	Mar. roy. pay. 1% $	Apr. pay. 1% $	May pay. 1% $	Paid to May 30 1% $	Dealers offering price† 1%
Ace. No. 1 gross	538	539	264.90	242.98	241.82	2,679.13	$7,500
Alta. Oil Inc. No. 1 gr. ..	76	109	65.60	53.20	52.40	3,347.20	1,600
Do., 1 net	76	109	56.00	44.40	42.00	3,876.80	1,000
Do., No. 2 gr.	518	573	251.20	229.20	252.80	4,824.80	9,300
Do., No. 2 net	518	573	229.20	208.80	231.60	4,877.00	7,000
Allied No. 1 pfd.	100	100	50.17	44.63	42.80	529.69	1,400
Arrow No. 1 net	156	163	85.20	77.20	78.00	1,215.60	1,800
Do., No. 2 net	196	203	86.00	76.40	94.00	1,138.20	2,200
Atlas No. 1 net pfd.	120	125	....	8.80	35.60	44.40	2,100
Atlas-Br. D. No. 2 pfd..	699	746	....	....	466.80	466.80	10,700
D. & D. net pfd.	75	80	41.20	34.40	36.40	1,671.00	1,500
Drill. & Prod. No. 3 p. ..	125	135	....	....	....	......	2,300
Independent No. 1 p. ..	235	245	152.64	150.65	148.99	1,468.87	4,100
Do., No. 1 gr.	235	245	109.66	107.84	107.09	1,573.23	4,200
Major Oil No. 1 pfd. ...	129	146	92.00	74.00	77.60	380.40	1,800
Do., No. 1 gr.	129	146	79.20	71.60	72.40	1,255.60	2,100
Do., No. 2 pfd.	623	708	485.20	446.80	430.40	3,071.40	7,200
Do., No. 2 gr.	623	708	367.60	334.40	331.20	3,263.60	9,400
Do., No. 2 dfd.	623	708	....	....	....	......	5,900
Do., No. 3 pfd.	840	850	638.40	549.20	534.00	4,195.60	8,300
Do., No. 3 gr.	840	850	456.00	406.00	396.00	3,754.40	....
Do., No. 4 pfd.	304	480	185.60	384.40	325.20	1,220.40	4,600
Do., No. 4 gr.	304	480	341.20	276.40	248.00	1,624.00	5,800
Do., No. 9 gr.	400	...	....	....	....	......	8,800
Do., No. 9 pfd.	400	...	....	..	....	......	6,200
Miracle No. 1 pfd. net ..	453	643	500.13	456.48	414.82	3,892.05	5,300
Do., No. 1 gr.	453	643	347.22	316.47	296.21	3,526.40	9,000
Do., No. 2 pfd.	280	473	....	78.69	239.30	317.99	4,600
Sunset No. 1 gr	99	101	52.23	58.41	48.40	6,817.87	1,900
Do., No. 2 gr.	80	80	43.15	39.57	37.29	6,806.76	1,900
Twin Valley No. 1 gr. ..	160	168	82.35	73.15	80.19	1,881.50	4,300
Vulcan Brown gr.	110	117	85.70	72.80	67.70	8,622.72	4,300
Do., net	110	117	52.16	54.43	44.25	4,843.89	3,100
Winalta No. 1 pfd.	96	100	72.80	54.40	72.00	3,259.10	1,200

†Approximately 20% below dealers' bid prices usually.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Atlas Br. Dom., No. 3 p	4,926	*$4,375	Miracle No. 3 gr.	5,872	5,800
Bonaventure, pfd. ...	6,365	4,500	Miracle, No. 3 pfd. ..	5,872	6,500
Lion-Davies, No. 1 pfd.	2,814	*4,300	Northclon., No. 1 pfd. .	3,730	5,400
Major Oil, No. 6 pfd. .	5,630	6,000	Northclon., No. 1 gr. .	3,730	6,500
Major Oil, No. 6 gr. ..	5,630	7,600	Northend, No. 1 pfd. .	7,478	4,800
Major Oil, No. 7 pfd. .	Testing	8,200	Northend, No. 1 gr. ..	7,478	5,800
Major Oil, No. 7 gr. ..	Testing	8,800	Northend, No. 2 pfd. .	4,578	4,400
Major Oil, No. 8 pfd. .	7,519	7,300	Northend, No. 2 gr. ..	4,578	5,700
Major Oil, No. 8 gr. ..	7,519	8,200	Northend, No. 3 pfd. .	8,084	4,600
Major Oil, No. 12 pfd.	9,090	*4,375	Northend, No. 3 gr. ..	8,084	6,000
Major Oil, No. 12 gr. .	9,090	4,400	New Ranchmen's, pfd. ..	100	*3,200
			Empire, pfd. (Ont.)† ..	...	*1,100
			Hi-Test Pete. pfd.† ..	...	*3,600

*Pegged price. †Acreage royalty.

Seek 'New Deal' for Prospectors

Ontario Association Submits Brief to Prime Minister

Charging Canada's search for strategic minerals has collapsed and that the Metals Controller's Order No. 19 has caused cessation of work at a number of properties for lack of a permit, the Ontario Prospectors and Developers Association has forwarded a telegram to Prime Minister King calling attention to the seriousness of the present situation.

An opportunity is asked for a committee of the association to meet with the War Cabinet in the immediate future to discuss the country's strategic metal situation.

Text of the wire to Mr. King from President George A. MacMillan reads as follows:

"Collapse of the prospecting drive to locate new sources of strategic minerals and base metals in Canada is in our sincere opinion sufficiently critical to justify consideration by the War Cabinet. In view of the serious reports from the field throughout Canada this association is forwarding to you, with respectful request for such consideration, a memorandum outlining the facts and the proposed remedy. In view of the seriousness of this situation we request that an opportunity be given a committee of this association to meet the War Cabinet in the immediate future to discuss this subject that is so vital to Canada's war effort."

According to executives of the association, 600 prospectors were prepared to go into the bush to hunt for war minerals in Ontario alone at the beginning of May. In British Columbia, another 500 experienced men were reported ready as well as unstated numbers in Quebec and other provinces. Four hundred of the Ontario total are stated to be still waiting to have their status clarified by Ottawa and of the 200 who started, an increasing number is coming out of the bush for the same reason.

Development work on a number of strategic mineral properties was halted after the issuance of Order M. C. No. 19 which the association states prohibited all such work without a written permit from the Metals Controller.

(As stated elsewhere in this issue, The Financial Post has been informed that M. C. 19 was not directed at prospecting and it is not planned to force prospectors to take out permits. More advanced stages of development will require a permit, however.)

Number of Changes Wanted

The memorandum to the Prime Minister has not been released, but it is understood the Prospectors and Developers Association feels, among other things, that M. C. 19 should be greatly modified if not done away with entirely.

There are a number of ways the association thinks the strategic metals business could be improved. The association is understood to want more information made available on what price the prospector might get for various minerals, perhaps some form of set price. It is pointed out that the prospector is interested too in up-to-the-minute information on which strategic minerals are needed and how much. It is thought that more could be done to acquaint the mining industry with shifting metal needs in the strategic mineral field. Information on marketing procedure and the uses for war metals is also desired.

A "Production Head?"

It is understood the association would favor some kind of "production head" to take a more aggressive approach to the discovery and development of strategic minerals. Some form of direct buying or purchasing organization would also be favored, it is reported.

The association "would probably support" a programme calling for greater use of the Dominion Bureau of Mines and the Geological Survey, it is stated.

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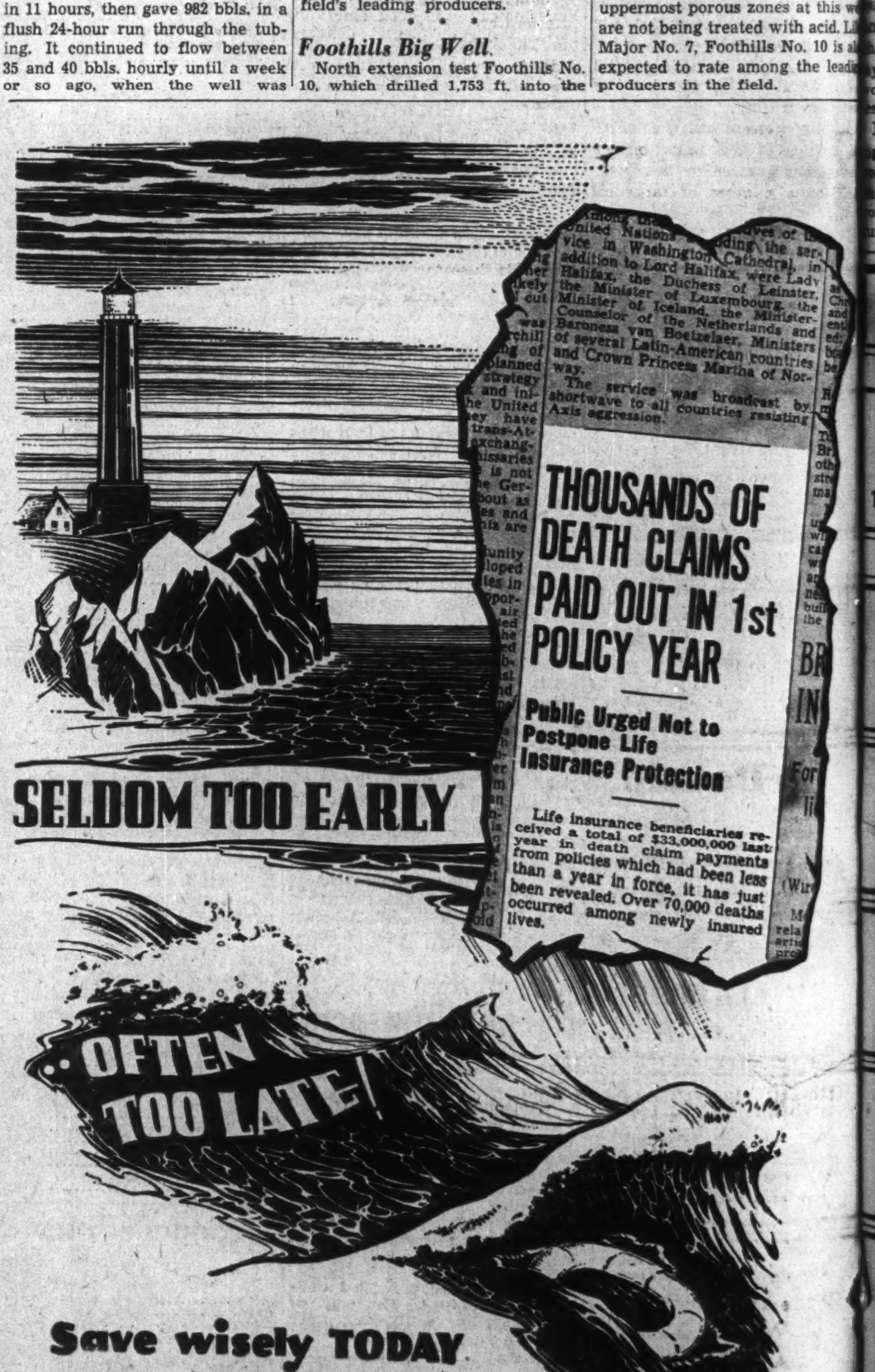

THOUSANDS OF DEATH CLAIMS PAID OUT IN 1st POLICY YEAR

Public Urged Not to Postpone Life Insurance Protection

Life insurance beneficiaries received a total of $33,000,000 last year in death claim payments from policies which had been less than a year in force, it has just been revealed. Over 70,000 deaths occurred among newly insured lives.

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From Coast to Coast, Oil Search is Pressed

Alberta Fields Get Bulk of Work But Other Areas Not Ignored

By GORDON M. GRANT

With the tanker shortage and bility of pipe lines to supply nada with both war and peace quirements of oil, "wildcat" ll drilling results are still of st importance to our oil-conming economy.

To some, the scores of "dry les" put down in past years, ostly in Alberta, have been disartening, suggesting that exsive oil resources are lacking. t oil men and geologists say r oil possibilities are not exusted. They see the record level f exploratory drilling now preiling as testifying to the wideread belief that this country ay yet have major untapped esources of crude.

On several occasions, it has eemed we were about to open a second front" in the oil business; hat a new oil field of good grade rude had been found. But on ach occasion there seems to have een some drawback—an intruion of water making a prospecive field useless or perhaps the iscovery that a test well had hit nly a pocket of crude oil, not a ew field. Some important lower rade crude fields have been disovered outside of Turner Valley, is true—Vermilion, Wainright, Taber, etc.—but a major ew oil field of higher grade crude still something for the future.

Working Coast To Coast

Current testing would seem to ndicate favorable ground for oil elds still exists right across Canda. From the Peace River area northern British Columbia ight through to Prince Edward sland, exploration for oil is being arried on.

While the present exploration rogramme is most extensive, ased on Canadian standards, igns are not lacking that well rilling may increase next year ather than grow smaller. Here the situation: the Dominion Government Geological Survey as stepped up appreciably its urvey work for location of oil tructures—domes or folds which ight prove natural traps for oil nd gas. It seems quite possible hat Dominion authorities are ying the preliminary ground ork for a further extension of st well drilling.

Much of present test well drillg activity is now based on tax ncessions granted by the Dominion to a number of large oil ompanies. The Dominion might urther extend its tax concession programme next year if the oil situation continues difficult.

Look At Older Fields

Oil resources Alberta has been known to possess for many years are getting considerable attention today. Imperial's Fort Norman field and refining facilities may be considerably expanded to take care of Alaska Highway requirements. The new pipe line being carried over to the Alaska highway, a distance of over 500 miles, will probably mean a permanent outlet for this field's products after the war is over.

Two hundred miles north of Edmonton, Fort McMurray bituminous oil sands are still under investigation. Some production has been secured recently from the reopened Abasand refinery but production on a large commercial scale, and transportation, are problems still being worked on. These tar sands may represent an important asset after the war if large-scale development is not feasible at this time.

Taber To The Fore

Renewed interest is being shown in the Taber area following successful completion of the Standard Oil of British Columbia-Nassau Exploration Co., Taber-Province No. 1. well. This field was proven years ago as a source of low to medium grade oil but a water intrusion was experienced. With the better methods now available for handling water intrusions, however, it seems that good commercial wells can be drilled in the area.

Drilling of shallow low-cost wells in the Vermilion area this year has not been nearly as extensive as authorities had hoped but it is believed that two recently completed wells will add substantially to the area's production. A satisfactory market exists with railroads for any oil turned out.

Other Areas Active

But activity in Turner Valley and areas mentioned above is only part of work being carried on in Alberta. One of the encouraging prospects for new crude oil fields is the Ram River structure located southwest of Edmonton. The Ram River No. 2. well—a diamond drill test—is officially reported to have returned some crude oil but government test has been delayed by road conditions in this outlying sector.

Imperial Oil is trying hard to open up a commercial crude field in the Tilley area—there is at least one commercial well now—but an intrusion of water has been found and the outlook is not altogether clear. However, Imperial is continuing its drilling operations in the hope that the water condition will not prevent an extension of commercial production.

Two Areas Get Attention

Much of "wildcatting" in Alberta is being carried on in either the general area to the east of Turner Valley or in sectors northwest and southwest of Vermilion.

Directly east of Turner Valley, approximately 12 miles, New Ranchmens Oil Co. has commenced drilling a deep test on the Aldersyde structure. Some drilling was done in this area years ago, but the most promising formation for oil—the Madison limestone—was not reached before drilling suspended. Northeast of Turner Valley, location has been selected for C. & M. Calling No. 1. well to test the New Valley structure. Southeast of the Inland-Sarcee No. 1. well and almost directly north of Turner Valley's producing sector, Imperial Oil Co.'s exploration subsidiary, Northwest Co., is completing a deep drill test with a depth of over 4,000 ft. already reached.

About nine miles northwest of the Inland-Sarcee No. 1. well, Shell Exploration Co., subsidiary of Shell Oil of Canada, will put down a well on the Jumping Pound structure. A rotary rig is now being moved in to the well site.

Imperial Oil is reported to have reserved as much as a million acres in the general district around Vermilion and development is now starting. About 15 miles to the northwest of the proven Vermilion area, a cellar has been dug for Northwest Tovell No. 1. well. Ten miles west of the Vermillion area, Imperial's Northwest Co. subsidiary has completed one well to a depth of 1,768 ft. and location has been selected for a second well. A little further west a well is to be put down by Northwest on the Manville structure.

Financed by eastern interests, Clonmel Petroleums is completing a three-well programme on the Bruderheim structure with the first well down over 2,500 ft. One eight foot oil zone was penetrated first with further oil-bearing sands intersected since.

Extending its already long list of exploratory wells, Imperial Oil is moving in a drilling rig to put down a well on the Monogram structure.

On the British Columbia-Alberta boundary, Pouce Coupe area has two active wells. The Bonanza Royalties No. 1. well is down over 2,000 ft. and is marking time until parts are secured for repairing its pump. Guardian Oils has a well down 7,000 ft. in the same area and is testing a zone at 4,778 ft.

About 30 miles south of Turner Valley the Royal Sun No. 1. well is being drilled on the Livingstone structure. Down 500 ft., this well is in the Madison limestone.

Saskatchewan's possibilities for oil are getting their first real testing now. Norcanols-Radville No. 1. well is down over 5,750 ft., approximately 768 ft. in the Madison limestone. Drilling was resumed recently after water was encountered slightly higher up. The well is located in southern central Saskatchewan.

In a concession adjoining the Manitoba boundary, Bobjo Mines is reported to be securing "interesting results" from its first well going down. Much preliminary survey work is being done in Saskatchewan generally and perhaps a larger proportion of exploratory drilling will take place in this province in the future.

Ontario An "Old Timer"

Ontario had some of the first oil fields to be developed in the world, but today is relatively unimportant as far as volume of production is concerned.

Experts are investigating the possibility that other oil sands may underlie those from which production was previously taken. The new drilling programme for the Dutton field is concrete evidence of the new interest being taken in the old Ontario fields.

On Manitoulin Island, arrangements are now reported in hand for completion of a three-well test programme on leases of Terrace Oil Co. The three well locations were selected on the recommendation of Dr. W. A. Kelly, a United States oil geologist who surveyed the ground.

Geologists of the Dominion Government are making a new survey of the oil and gas possibilities of southwestern Ontario this year. West Petroleum has announced a drilling programme to test an area under Lake Erie waters.

Oil In Anticosti?

Anticosti Island, Quebec, has long been considered a likely prospect for oil. Geological work has been carried on by government parties and private interests in past years.

Further work is being done this year to prepare for possible well drilling.

In New Brunswick, a party under Dr. F. J. Alcock is seeking oil structures in the Sussex and Millstream areas. Diamond drilling of oil shales is also being carried on with the Dominion Government and New Brunswick Government putting up the money. A small production of oil is being secured in New Brunswick and a new source is greatly desired.

Survey work has been carried on in Prince Edward Island for some time, it is understood, and possibly a couple of deep test wells will be completed by a large oil company next year.

In Nova Scotia, oil shales exist which may attract further investigation.

Algoma Steel Finds New Ore

Exploration at Helen Mine Successful—Plant Extensions in Progress

Last year Algoma Steel Corp. spent just under $7 millions on property, plant and equipment, according to Sir James Dunn, president. Of this $162,654 came from rebuilding and relining reserves. The previous year the company spent $719,000 on plant.

Two new mills—a 44 in. blooming mill and a 25 in. continuous billet mill—have been completed and are now in operation. Sir James states that the company, "in conformity with the wishes of and in arrangement with His Majesty's Government at Ottawa," is building coke ovens, blast furnaces, coal storage, docks and other works. He adds that "progress is according to estimate and it is expected that all this work will be completed and in operation during the first half of 1943." Balance sheet at April 30 shows a balance due on uncompleted construction contracts of $980,000.

Algoma Ore Properties, Ltd., wholly-owned subsidiary of Algoma Steel operating the Helen iron mine, produced and shipped in the year ended April 30 last 487,865 tons of sinter. Of this 259,173 tons were sold to U. S. furnaces, 211,527 tons used in the company's own furnaces and 17,165 tons used in other Canadian furnaces. For the current year the company expects to produce 480,000 tons of sintered ore. A year ago shipments of sinter were 387,676 tons. Last year $185,908 was spent on mining equipment and machinery spares and $165,000 of the loan from the parent company repaid, leaving a balance of $1.3 million.

In the past 20 months, Algoma Ore Properties has spent $93,988 in exploratory work on its properties. By stripping, trenching and diamond drilling, existence of a large quantity of low grade magnetite has been established. This ore is of a character now being worked successfully in New Jersey, New York and Pennsylvania.

Details of the company's earnings and financial statements will be found elsewhere in The Financial Post.

Powell Output Little Changed

With Lower Costs Being Experienced, Profit May Be Maintained

From Our Own Correspondent

ROUYN.—While a slightly lower tonnage of ore is being extracted at Powell Rouyn Gold Mines following shut-down of the mill April 1, costs are lower and profits are expected to show little change.

Approximately 850 tons of ore a day are now being shipped to the Noranda smelter with recovery expected to continue around $100,000 monthly. In the fiscal year ended Mar. 31, 1942, value of production was $1,455,073 with 341,919 tons of ore treated. Tonnage treated last year represented 159,048 tons in the company's mill and 182,871 tons shipped to Noranda.

Used for Flux

The high silica content of the Powell ore makes it desirable to Noranda for fluxing in the copper smelter. With ore treated at Noranda, Powell does not have to worry about securing supplies for milling operations now.

May Continue Shaft

Consideration is being given to sinking the main shaft an additional two levels at 1,700 and 1,850 ft. This work may be proceeded with in the latter part of the year.

Diamond drilling to 550 ft. below the 1,550-ft. level has returned encouraging intersections, indicating the continuity to depth of the main ore bodies.

With working capital totalling $216,017 as at Mar. 31, 1942, a resumption of dividends later in the year is a possibility.

Mining Concentrates

Athena Mines (1937) will have to consider disposal of part of its equipment at the mine to provide funds to maintain the property in good standing, president and managing director J. J. Byrne states in a letter to shareholders. Government leases have now been taken out on the 19 claims comprising the main property at Goldfields. Assessment work has been performed each year on the Ranel group adjoining the Ptarmigan mine in Yellowknife and negotiations are now under way with the idea of optioning the ground to one of the large companies. It is hoped that some arrangement may be made whereby the main property at Goldfields, Sask., can be brought into production in the not distant future. Present regulations would seem to prevent this during the war, it is noted.

• • •

Arntfield Gold Mines will hold a general meeting of shareholders in the near future, President R. V. Arntfield states. Meanwhile the shareholders' protective committee, consisting of M. P. Greenberg, chairman, Mrs. T. Prior, A. Shantz, T. J. Stringer and A. Teer, has issued a letter to shareholders expressing the opinion that an independent reorganization be considered and that a survey of the company's affairs be conducted.

• • •

Bayonne Consolidated Mines, subsidiary of Grull-Wihksne Mines, reports production of approximately $21,000 for June compared with $23,700 in May. Output for the second quarter of the year was $63,200 against $73,709 in the first quarter, making a total of $136,909 for the half year against $165,560 in the corresponding period last year.

• • •

De Santis Porcupine Mines is reported preparing to suspend operations for the duration as soon as developed and broken ore has been exhausted unless there is some new and unexpected development. Ore development has been halted and although there are encouraging indications, management feels the time is not opportune to push workings deeper. It has not been decided whether the plant will be retained or sold.

• • •

Eureka Kirkland Gold Mines property will be offered at public auction at Haileybury on Oct. 12.

• • •

Granby Consolidated has declared its regular quarterly dividend of 15 cents payable Sept. 1, 1942, to record Aug. 14. Extra of 5 cents a share had been paid with the March and June quarterly dividends.

• • •

Kerr-Addison Gold Mines has declared 5 cents a share payable Aug. 28, 1942, to record Aug. 11.

• • •

Matachewan Consolidated Mines had an estimated profit of $63,598 for the three months ended June 30 after all charges compared with $35,206 the preceding three months and $70,518 in the corresponding period of 1941. Production in the June quarter was $262,732 against $241,251 in the same 1941 period.

• • •

Preston East Dome Mines will be unable to carry out its projected exploration of the adjoining Cincinnati Porcupine property due to the new regulations announced in Ottawa, the company reports.

• • •

Queenston Gold Mines, which suspended work last April, carried out considerable diamond drilling, deepened the old Margaret shaft to 250 ft. and carried out 200 ft. of work on the 125 and 250-ft. levels before operations were suspended, annual meeting was informed by R. J. Henry, mine manager. Underground work and diamond drilling indicated a width of 80 to 100 ft. for the carbonate zone which traverses the property. Grade of ore over the full width was $3.85 a ton. Certain parts of the zone indicated a better grade, it is stated. The mine is being kept dewatered and work could be resumed on short notice. When work is resumed, Mr. Henry recommends that the carbonate zone across the property be drilled from end to end and that further underground exploration be carried out from the Margaret shaft. All directors were re-elected.

• • •

Sullivan Consolidated produced something less in the second quarter than in the first but production for the first half of $888,985 from 83,933 tons of ore established a new record for output value. In the first six months of 1941, $628,869 had been recovered from 62,281 tons of ore.

• • •

Steep Rock Iron Mines has sold 50,000 shares of stock at $1.05 a share, payment for which has been received. Conditions of sale provide purchaser will deposit the stock in the existing voting trust. Issued capital is 3,370,005 shares, leaving 1,629,995 shares in the treasury.

• • •

Paymaster Consolidated produced a record total of $1,863,792 from 215,944 tons of ore in the fiscal year ended June 30, 1942 for an average recovery of $8.63 a ton. In the previous fiscal year, $1,780,593 had been turned out from 212,834 tons of ore, an average of $8.37 a ton.

• • •

Wolfsteve Mining & Developing Co. has taken over the property of Credo Porcupine Mines which went into bankruptcy last March. Shareholders of Credo have no equity in the new organization.

McWatters Plans Surface Drilling

Recent Underground Work Unsuccessful in Finding New Ore

From Our Own Correspondent

ROUYN.—With current mine exploratory work revealing little in the way of further ore, McWatters Gold Mines plans a programme of surface diamond drilling on its west claims along the extension of the favorable contact zone of the conglomerates and agglomerates.

Extensive exploration both at depth and along the contact zones of the sediments has been unsuccessful in locating new ore structures. Three groups of claims totalling 56 claims have been acquired adjoining the Belleterre mine in the Mud Lake area of Quebec but surface drilling and prospecting have not so far met with success. Work was being continued with a small crew at last report but it appears likely that new government regulations will force a suspension.

At the beginning of the year, ore reserves totalled 60,000 tons of 0.216 oz. grade. These have been reduced by mining to 40,000 tons including 25,000 tons remaining in stopes. Broken reserves are largely in the No. 702 stope on the 900-ft. level.

Operating profits for the first six months of this year were $48,326 from production of $175,792. Production in the last half of the year is expected to run $25,000 to $30,000 a month with operating profit $4,000 a month or more.

Public Utility Earnings

Southern Canada Power

June

	1942 $	1941 $
Gross income	276,450	248,141
Less: Oper. expenses .	81,122	78,145
Taxes	66,187	57,805
Int., deprec., divds.	117,454	114,601
Surplus	11,687	*2,410

*Deficit.

Nine Months Ended June

Gross income	2,431,492	2,200,470
Less: Oper. expenses .	737,856	626,870
Taxes	583,437	533,625
Int., deprec., divds.	1,051,436	1,028,250
Surplus	58,763	11,726

Senator's Shaft Sinking Now Well Under Way

From Our Own Correspondent

ROUYN.—Deepening the shaft from the 875-ft. horizon at Senator-Rouyn is well under way and the 1,250-ft. level is expected to be reached in the next six weeks. Five new levels are to be established at 1,000, 1,125, 1,250, 1,375 and 1,500 ft. and stations have already been cut for the 1,000 and 1,125-ft. levels.

Lateral work on the first three new lower levels is expected to be well advanced before the end of the current year.

In view of recent diamond drilling results, work at depth will be of considerable interest. Work at the 750-ft. level has shown a drop in average grade to about $7 a ton, but diamond drilling at depth has indicated a distinct improvement in values lower down. These drilling results were secured in holes drilled south—in the same plane—from a crosscut put out north on the 875-ft. level.

The ore intersections secured in the four drill holes put down are as follows:

	Vertical depth ft.	Ore Length Intersected ft.	Gold per ton oz.
No. 1 ..	950	4.0	0.335
No. 2 ..	1,000	7.5	0.35
	1,040	11.0	0.239
No. 3 ..	1,090	41.0	0.276
No. 4 ..	1,550	24.5	0.110
	1,650	14.0	0.103

The core intersections show continuity of the ore structure with characteristic mineralization. The intersections at the 1,550 and 1,650 ft.—the deepest ones—are of interest since, on rake of ore structure to the east, it was not expected No. 4 drill hole would intersect ore at these horizons.

Ore reserves at the beginning of the year totalled 190,000 tons of 0.238 oz. gold per ton equivalent to two years mill requirements. Work on three further levels later in the year is expected to maintain or strengthen the ore position.

A sharp upturn in profits has been realized since the first of the year due to drawing a higher proportion of ore from the stopes above the 350-ft. level. The ore bodies on these upper levels carry a grade of 0.4 oz. gold per ton with resultant effect on grade milled.

Production and profits by four-weekly periods so far this year are as follows:

4 Weeks ended:	Tons milled	Output value $	Oper. profit $
Jan. 28	8,294	64,023	23,977
Feb. 25	7,952	65,104	24,345
Mar. 25	8,206	63,949	25,133
Apr. 22	8,391	98,793	59,632
May 20	8,132	85,864	46,533
June 17	8,238	86,645	48,449

The higher level of production and profits shown latterly could be maintained for another three months, it is estimated. Grade is expected to show a gradual decline as a greater tonnage of ore is drawn from lower grade stopes on the 625 and 750-ft. levels. Production and profits are then expected to return closer to the level of the first three months of the year.

With the note issue now entirely retired, it is expected a substantial working capital position will be built up by the end of the year.

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American Newsprint Supply Easier

Canadian Mills Should Have No Trouble in Meeting Demand

By JOHN E. LANGDON

United States' newsprint situation is easier now than at any time since the war started. While there have been flurries from time to time as to shortages due to possible closing down of mills because of power shortage, transportation difficulties, etc., indications do not point to any unusual tightness in the American newsprint supply situation in the months ahead.

Generally speaking, the publishers have been receiving more paper than they have been using.

Last month American publishers' stocks of newsprint paper, according to the American Newspaper Publishers Association, equalled the all-time record set in Aug., 1940 when 59 days' supply was on hand.

Inclined to be Nervous

On several occasions American publishers have shown signs of "scariness" as to the continuity of paper supplies. Early in the war some of them had visions of runaway prices and tended to accumulate stocks.

This flurry passed over when the newsprint producers enunciated their wartime price policy.

Then came the story newsprint mills would be closed down because of the shortage of power for the manufacture of aluminum.

Following this was a report of transportation difficulties.

In some instances these reports started in government agencies in Washington, which had a greater theoretical than practical knowledge of the newsprint demand and supply situation.

Even at this time there are still many publishers who are uneasy about future newsprint supplies.

Situation in Hand

While it is impossible to guarantee the supply of newsprint or any other commodity for an indefinite period, Canadian newsprint mills do not appear concerned over their ability to meet demands in the months ahead.

The newsprint producers have their own problems. Labor, supplies and other items entering into the manufacture of paper have become less plentiful. However the operators are confident of meeting market demands on the North American continent unless there is some major upset, not foreseen at this time.

Present Trend Helps

Their ability to maintain continuity of supplies is made easier by the present trend in the United States.

Last year American consumption of newsprint paper amounted to over 3.9 million tons. The year before 3.8 million tons were used.

In the first half of this year apparent consumption of all U. S. publishers aggregated under 1.9 million tons. Indications are demand for the full year will fall below 3.75 million tons.

Taking June alone, the 421 newspapers reporting to the A.N.P.A. recorded a consumption of 222,244 tons. This was 8.3% below June, 1941 and 8% under that for June, 1940. Actually the decline was greater than indicated in that there were four Sundays last June compared with 5 Sundays in June, 1941.

Use Less Paper

Trend of consumption of the 421 newspapers reporting since the beginning of 1941 follows:

Consumption of Newsprint
422 U. S. Newspapers

	Tons 1942	1941
Jan.	231,961	229,790
Feb.	216,109	219,362
Mar.	251,042	258,518
April	238,493	256,431
May	242,372	260,827
June	222,244	242,404
July	......	215,012
Aug.	......	224,361
Sept.	......	239,098
Oct.	......	262,488
Nov.	......	263,889
Dec.	......	274,471

Building Up Reserve

The easier newsprint supply situation is emphasized by the fact that these same papers have been receiving more newsprint paper than they have been using.

Last month, for example, receipts were 19,256 tons more than the tonnage consumed. In addition there were 36,442 tons in transit, making an excess supply of 45,698 tons.

At the beginning of this month the A.N.P.A. reporting papers had 438,843 tons of paper on hand.

This is a larger volume of tonnage than has been reported for any single month since Feb., 1938.

Compared with present day consumption, stocks on hand are equal to 59 days' supply; the record level set in Aug., 1939.

Stocks Much Larger

Over the past year the publishers have added more than 233,000 tons of newsprint paper to stocks as additional insurance against any break in the continuity of supplies.

Of particular interest is the fact that from April on there is a seasonal increase in publishers' stocks with the high mark being reached in September or October.

Consequently it is to be expected publishers' supplies will continue rising for another three months.

The manner in which additional stocks have been accumulated by the publishers is set out in the following table covering returns since the beginning of last year:

U. S. Publishers' Stocks
(422 Newspapers)

	Tons 1942	1941
Jan.	412,568(55)	336,281(45)
Feb.	425,437(55)	326,962(42)
Mar.	415,896(51)	297,168(36)
Apr.	428,227(54)	302,267(35)
May	423,783(54)	303,578(36)
June	438,843(59)	327,368(41)
July	....	361,053(52)
Aug.	....	383,864(53)
Sept.	....	388,492(49)
Oct.	....	381,099(45)
Nov.	....	386,579(44)
Dec.	....	385,296(44)

Note:—Figures in brackets indicate number of days' supply at current rate of consumption.

Factors Influencing Demand

Against declining consumption and increasing stocks of paper, another factor to appraise in considering the U. S. newsprint supply and demand situation, is the trend of advertising. Advertising controls the size of newspaper and in turn has a major influence on the volume of consumption of paper.

To the end of June the trend of advertising in the United States has been downward.

Advertising in 52 key American cities for the first half of this year, as compiled by Media Records Inc., shows a drop of 8.5% from the returns for the like period of 1941.

This trend is typical of the American publishing industry as a whole and it is not without significance the volume for the 52 cities is under that reported in 1938.

The prospect of an increase in advertising linage between now and the end of the year is not promising.

Wider Reader Interest

Against the drop in advertising, is an increase in circulation. Reader interest has been greatly increased. Circulation has advanced and will tend to increase as the war goes on, just as has happened in Britain.

While wider reader interest may offset the drop in advertising linage as it bears on the consumption of newsprint paper, it should not be forgotten that in the past several months American publishers have adopted paper conservation plans resulting in very material savings.

It is difficult to obtain other than an approximate idea of what these paper conservation plans have meant in the way of savings, but in the case of the larger metropolitan dailies, there is no doubt but that the savings have run into many thousands of tons annually.

Help Ease Problem

All these factors have eased the problem of the newsprint manufacturers in keeping the American and Canadian publishers adequately supplied with paper.

At present mill operations are well below capacity. Large blocks of power have been released for aluminum production. Fewer materials and less labor are required to provide sufficient paper for current requirements.

Thus the situation is, from the point of view of the mills, easier now than it has been for some time past.

Newsprint Supply 34% Over 1941

From Our Own Correspondent

MONTREAL.—Stocks of newsprint on hand in North America at the beginning of this month were 34% greater than a year ago, according to returns of the Newsprint Association of Canada.

Supplies now amount to 903,529 tons, as against 672,333 tons last year. Mill stocks show a moderate decline over the year, but those held by U. S. publishers advanced more than 50%.

Newsprint Stocks
(In tons)

	July 1 1942	1941
Canadian mills	158,888	165,898
U. S. mills	17,049	12,065
Nfld. mills	93,984	93,656
Total mills	269,921	271,619
U. S. publishers	633,608	400,714
Total stocks	903,529	672,333

OPPORTUNITY

There are available in Corner Brook a limited number of building sites, suitable for factories, with Railway Sidings, electric light and water and sewerage connections. Electric Power is also available at reasonable rates.

The Port of Corner Brook is equipped to handle all types of cargoes with quick despatch. For particulars apply to —

GENERAL MANAGER

Bowater's Newfoundland Pulp and Paper
Mills Limited, Corner Brook.

Lumber Supply Becoming Tighter

From Our Own Correspondent

MONTREAL.—Demand for lumber remains strong with a scarcity of stock still very evident, the Maritime Lumber Bureau reports. The problem of the industry is not one of distribution, but continues to be that of production, with a serious shortage looming.

There has been no indication from the Timber Controller, the Bureau says, that lumber requirements will be less than last year, when the industry produced over 5 billion ft. However, it appears unlikely production for the current year will reach that figure.

Indication of the tight situation is the recent priority ruling by the Timber Controller, whereby domestic requirements must be met first, the United Kingdom and Empire countries second, and the United States and Allied Nations third.

The labor question is at present the most serious single factor bearing on production in the Maritimes, says the Bureau. Involved in the question is the scarcity of suitable men, with the wage regulations keeping wages at previous levels, which are not completely competitive with those paid in war industries and government projects. Many operators claim present lumber prices would not enable them to pay competitive wages, even if they were granted permission by the Labor Board.

B. C. Ship Commission Starts Investigation

From Our Own Correspondent

VANCOUVER.—Sessions of the Royal Commission investigating the shipyard situation on the west coast of Canada began here this week, presided over by Mr. Justice S. E. Richards of Winnipeg, and it is expected that within a short time it will be able to set at rest a problem that has agitated labor and management in British Columbia for a long time—whether continuous seven-day production with staggered shifts or the old six-day week schedule will result in more ships for the nation's wartime cargo fleet.

Rear-Admiral Howard E. Vickery, co-chairman of the United States Maritime Commission, made a tour of inspection of Vancouver yards just before the arrival of the Richards Commission and, addressing a gathering of shipyard operators and engineering companies' executives, declared emphatically that the seven-day system is superior.

U. S. Holds Key

"I was sceptical at first," said the admiral. "But I was convinced by the wonderful performance of the yards in Oregon, whose technique is now being followed throughout the United States. All American west coast yards are now operating seven days a week with staggered shifts to give each man a day off every seven days, and this system has been the answer to our production problem."

Austin Taylor, director of Wartime Merchant Shipping on the west coast, says that Admiral Vickery, in charge of all cargo ship construction in the United States, has promised to maintain the flow of steel for British Columbia yards at the present rate, but only if the seven-day schedule is maintained. Otherwise the quota will have to be reduced accordingly. Inasmuch as two thirds of the steel is from the United States, this is regarded as significant

H. R. MacMillan, president of Wartime Merchant Shipping, has been on the coast accompanying Admiral Vickery on his tour and at a meeting of the Vancouver Board of Trade he told something of Canada's ship construction effort and emphasized that the value of every other effort made by the United Nations toward winning the war depends on the supply of deep sea tonnage to transport supplies and men.

"You may have wondered," said Mr. MacMillan, "why we have been unable to hold Rommel's comparatively small army in northern Africa. If you analyze all the causes for our reverses you will probably find that the British army was unable to maintain the flow of supplies in adequate volume—due to lack of ships. Our tonnage simply wasn't equal to the task.

Answer to Second Front

"We cannot hope to launch a second front successfully until we have the ships to maintain the supply lines for an offensive effort."

After describing the accomplishment of Canada's shipyards so far, Mr. MacMillan said that if the United States, in proportion to its greater population, equalled Canada's feat it would have launched in June a total of 115 cargo vessels. Instead, American yards turned out 68. In the second half of this year, by the same ratio, the United States would launch 750 ships.

"I am not giving these figures boastfully, but merely to demonstrate that, whatever else Canada may be doing in the war production effort, our shipbuilding programme is up to the mark."

Mr. MacMillan predicted that next year Canada would produce 150 cargo ships of the approved 10,000-ton type, while the United States would be turning out 1,750 or more. The American programme was slower in getting under way because it involved the establishment of huge new shipyards, whereas Canada was largely making use of plants already in operation, but American shipbuilders, he declared, were "the great hope of the democratic world."

The Wartime Merchant Shipping chief said that Canada's shipyard technique had improved so greatly that today it was possible to produce in Canada 95% of the value of all work and material employed in the cargo ships' production.

"Sinkings by Axis submarines, mines, surface raiders and air power still exceed our building of new ships, and they will probably continue to do so for several months, but the tide will turn.

"In 1942-43 production of merchant ships in the United States and Canada should be nearly 30 million tons, and after that there should be a continued rise, facilitated by an increasing recognition on the part of all our people that there is no more vital part of our war effort than the building of ships."

Nova Scotia Coal Miners Sign Pact

New Wage Agreement Affects Some 11,000 U.M.W. Members

From Our Own Correspondent

MONTREAL—Some 11,000 mine workers, employed by four major Nova Scotia coal companies, have entered into a wage agreement based on that expiring last January, which will continue in force for one year.

Wage agreements were reached with the Dominion Coal Co., Acadia Coal Co., Cumberland Railway & Coal Co., and Old Sydney Collieries Ltd. In addition to company officials the meeting was attended by the executive of District No. 6 of the United Mine Workers of America, and Wm. Sneed, senior executive officer of the International United Mine Workers.

Basic rates for Dominion Coal Co. employees, who comprise the majority of district members, are $3.90 daily, plus a cost-of-living bonus. Wage rates of the other three companies are slightly lower.

Seagrams Have Rubber Process

From Our Own Correspondent

MONTREAL.—A new process for making synthetic rubber out of grain is announced by H. F. Willkie, vice-president of Joseph E. Seagram & Sons, Inc., wholly owned subsidiary of Distillers' Corp.-Seagrams Ltd.

The process produces about eight lb. of rubber per bushel, compared with six lb. by other methods, Mr. Willkie said. The cost has been reduced below 20c. a lb. for the finished rubber, and probably will go to 15c., he added.

The Seagram process converts grain into 2.3 butylene glycol, from which butadiene, a basic material from which synthetic rubber is made. The Seagram Company has completed blueprints for a plant to process 55,000 bushels of grain a day.

U.S. Buys More Canadian Paper

From Our Own Correspondent

MONTREAL.—Canada now supplies 71% of the United States' newsprint requirements, the largest share of the American market ever enjoyed by this country.

The gain has been made at the expense of American newsprint mills and Scandinavian mills which are no longer in the U. S. market.

Sources of U. S. Newsprint Supply
January-June
(In tons)

From:	1942	1941
Canada	1,416,860	1,290,339
Newfoundland	95,757	95,402
United States	469,535	503,274
Europe	2,865	31,815
Total	1,985,017	1,920,830

U. S. Paperboard Output On Smaller Scale

From Our Own Correspondent

MONTREAL. — Production of paperboard in the United States dropped 10.8% in May, according to the U. S. Department of Commerce. Production totalled 491,390 tons, against 550,653 tons a year ago.

May operations were 83.8% of capacity for the 110 mills reporting. This was the lowest scale of operations since Feb., 1941.

New orders received during the month decreased 67,000 tons; unfilled orders at the end of the month displayed a drop of 69,203 tons from those reported for April, 1942. Of more significance was the fact unfilled orders at the end of last May were 141,450 tons less than at the same time in 1941.

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For
Wright Aeroplane Engines

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GENERAL SERVICE

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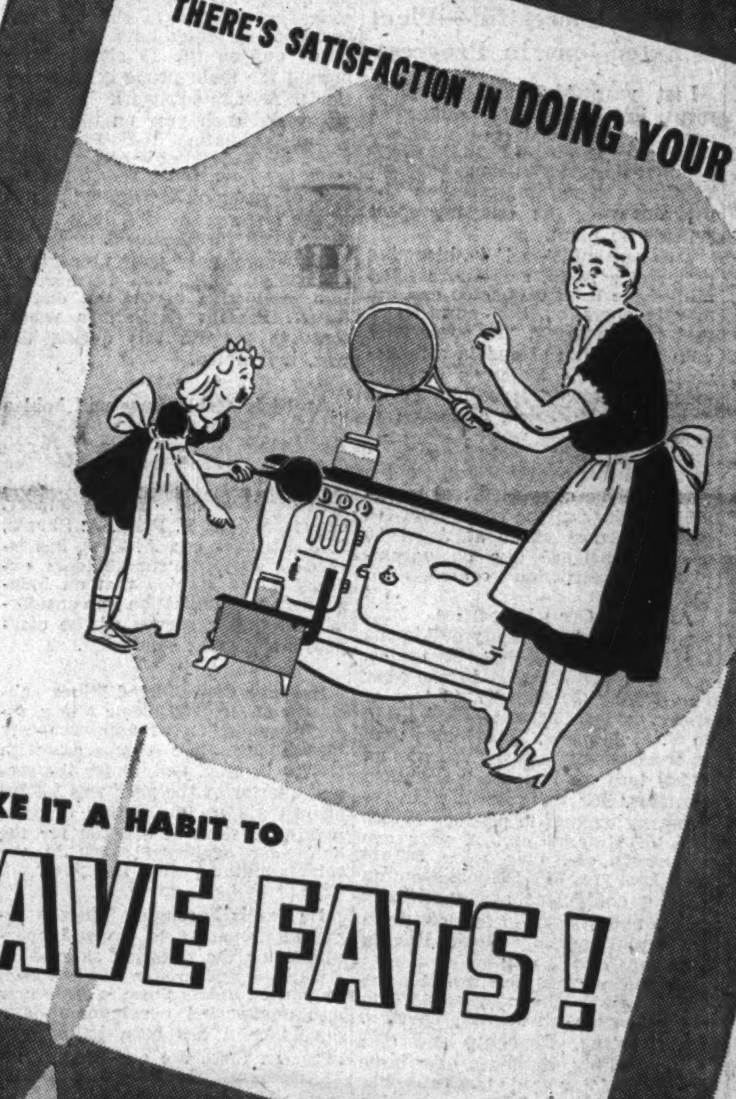

THERE'S SATISFACTION IN DOING YOUR BIT
MAKE IT A HABIT TO
SAVE FATS!

THERE'S SATISFACTION IN DOING YOUR BIT
Make it a habit to
SAVE FATS...
THE PULP AND PAPER
INDUSTRY OF CANADA

IS THERE ROOM ON YOUR
BULLETIN BOARD FOR THIS MESSAGE?

Reproduced above is part of a campaign sponsored by the Pulp and Paper Industry in mill towns for the purpose of impressing householders with the importance of conservation and showing them how easy it is to save.

The simple, colourful "posterettes" are based on the advertisements which are appearing in mill town papers. These posterettes measure 10" x 13½", printed in both English and French — are in two colours and will be used on the mill bulletin boards.

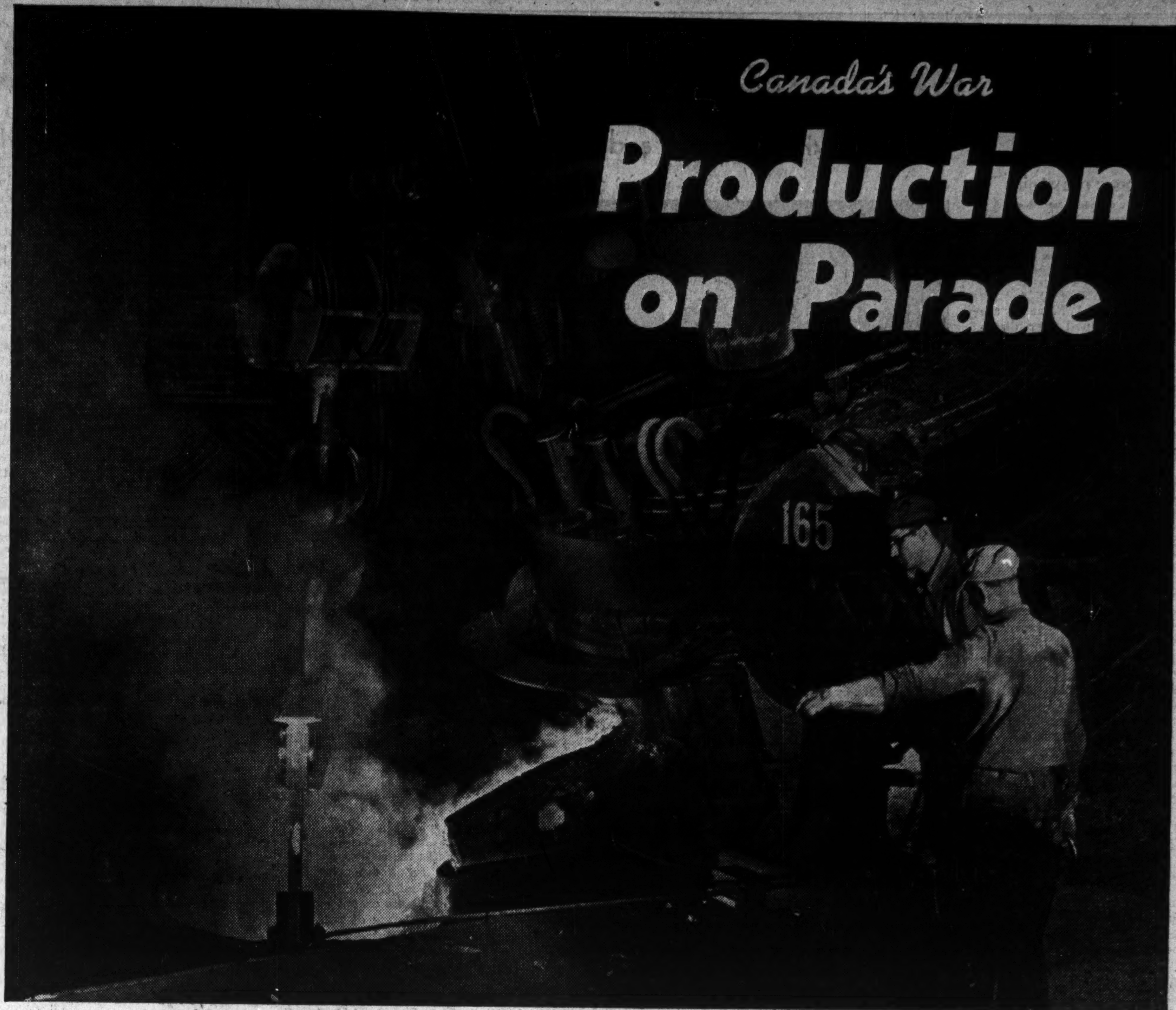
Would you like to carry this message into your factory or community? If so, we will gladly send you copies of these posters or reprints of the advertisements. Simply write stating quantity desired.

THE PULP AND PAPER
INDUSTRY OF CANADA
1075 SUN LIFE BUILDING MONTREAL

THE FINANCIAL
POST
JULY 25, 1942

Canada's War

Production on Parade



Canada's
mines
smelters
scientists
refineries
engineers
toolmakers
metalworkers
management
and investors
swell Growing Fighting Power of United Nations

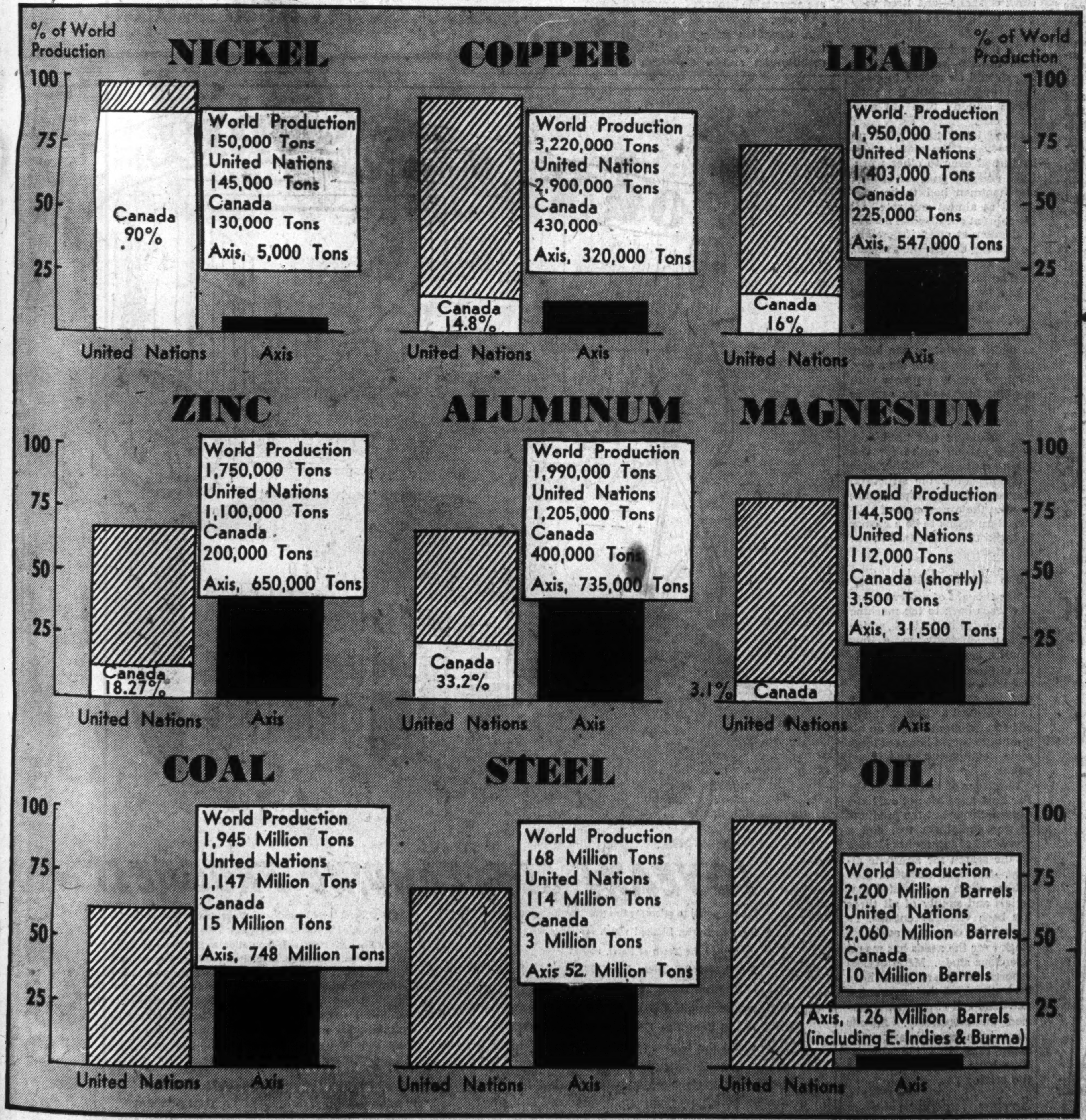


Chart by The Financial Post

Axis conquests have failed entirely to "dent" United Nations' all-important superiority on the war materials front, figures above indicate. The figures themselves are necessarily only estimates due to wartime censorship, but allowance is made for much of new productive capacity. In every case estimates have been conservative.

CANADA'S MINES

From prospector to production the whole mining industry is mobilized for an outstanding war effort. From the precious metals of peace days, accent has shifted to a new mining royalty; today's king-pin mines are the producers of war valuable zinc, copper, lead, nickel, magnesium and tungsten. To stimulate output of needed base metals Canada offers substantial tax concessions to new producers. Present developed resources are not enough for the pressing need; to help find new mines the aid of the prospector is being enlisted across Canada; grizzled bush veterans are going back to school to learn about a new type of metal hunting. Great stabilizer of Canada's economy in peacetime, the Dominion's mineral wealth is now the foundation for a mighty war effort.

CANADA'S SMELTERS

The blazing furnaces of Canada's smelters reflect the white-hot drive for more production to meet United Nations' demands. Stripping ore concentrates of impurities is the main function of the smelter in the firing line, but this industry has performed a task above and beyond the call of duty. Production of metals and minerals formerly turned out has been greatly increased. Extraction of new metals such as tin has been undertaken. New standards of efficiency have been realized in the all-out production drive.

CANADA'S REFINERIES

From the refineries of Canada come 33% of the United Nation's aluminum production, 14.8% of copper output, 16% of lead output, 18.2% of zinc output, 90% of nickel output. Canada now has capacity to refine practically all of its vital metals production; in the last war that refining had to be done abroad. One indication of how the refineries have been meeting war changes is that before this war we depended on the U. K. and the U. S. for our requirements of copper sulphate, an essential to agriculture, base metal production and other important processes. To guard supply lines and a looming shortage, a copper sulphate plant has been erected in Montreal to produce 3,000 tons per annum. Out of the refineries comes the finished metal ready for action in the many forms required.

STEEL MAKERS

For armor plate, shells, hard-driven parts in today's mechanized warfare, steel has to take gruelling punishment. Canada's steel makers are meeting that hard challenge by producing as tough a steel as made anywhere in the world. Steel for tanks, guns, shells, ships, machinery is coming out of Canadian mills in unprecedented volume. To the United Nations' two-to-one steel production superiority over the Axis, Canada is contributing at an annual rate of over three million tons, close to 45% above the industry's capacity immediately before outbreak of war.

TOOL MAKERS

Toughest of all the steels that come out of Canada's mills go into machine tools, the implements that are the first long step on the road to war production. These high-speed tools cut and shape hard metals into forms that mean more machines, better guns, faster tanks, greater fighting power. Canada's former heavy dependence on the United States for machine tools has been eased. Today we are making well over half our own present requirements. Bottleneck of the early war production days the machine tool situation has been smoothed out by technical ingenuity and scientific drive.

PRODUCTION ENGINEERS

Application of technical skill on the production front has brought a great saving in use of materials in short supply; simplified production jobs so that output of guns and other war goods has been vastly speeded up — in some cases a saving of 80% in man-hours of labor has been made. Engineering brains have smashed bottlenecks and pared costs of war production sharply. In cold cash that means plenty to Canadians, for a Lee-Enfield rifle now costs half what it did last Fall, a similar 50% cut has been made in cost of light machine guns and Browning machine guns over the past few months. Pressure of war needs is increasing production knowledge, bosting capacity so that cheaper production will mean a higher standard of living for Canadians when peace returns.

Post Report for July

Mining, Metal Working, Machine Tools

Canadian Industry Breaks Through Its Bottlenecks

Skill, Ingenuity and Planning Bring War Production Through its Barriers

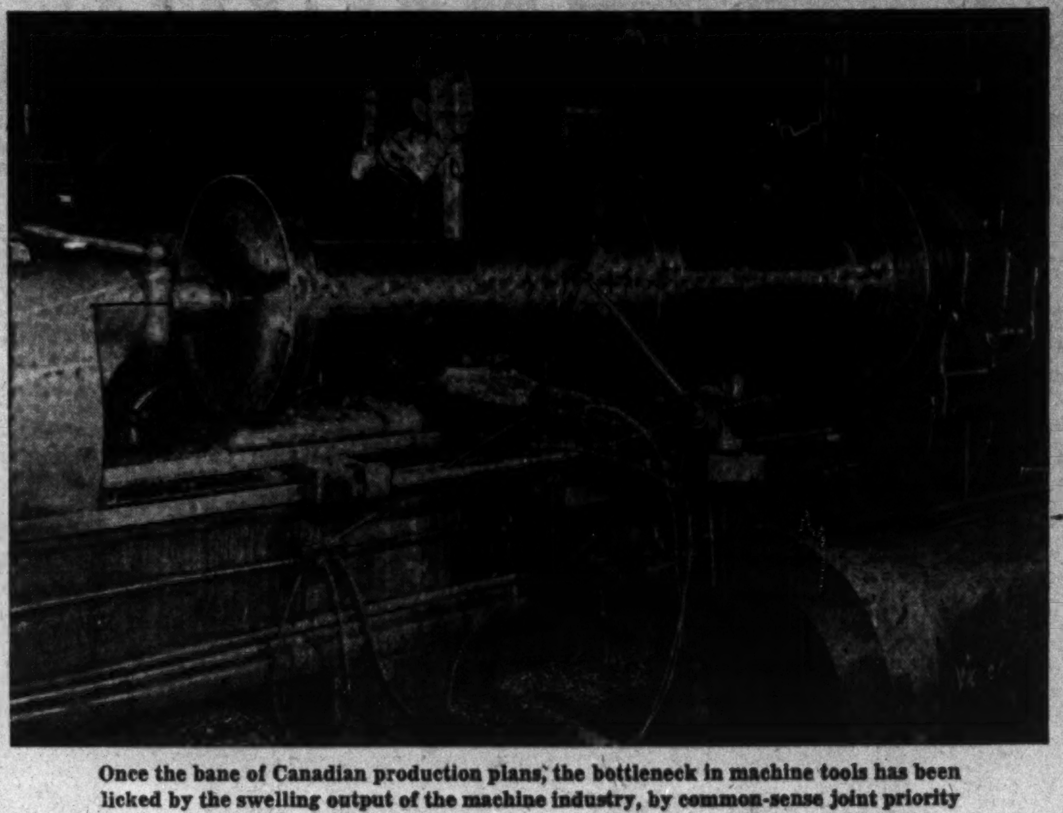
By ERIC CRAWFORD
Editor, Canadian Machinery.

Almost unannounced has been one of the most important developments on the 1942 production front: the end of the "bottleneck" period.

Not all the bottlenecks are broken, nor will they disappear so long as production is rising, models changing. But the barriers to industry which were once the rule are now the exception—by far the greater part of the conversion to war industry has been successfully completed.

The new priorities order of the United States War Production Board puts all machine tools for Canadian war production plants on an A1a basis which, while it does not cure all ills at a stroke, is reassuring.

Since Pearl Harbor only tools for "service" orders, direct orders from the U. S. Army and Navy, received this rating and took 75% of all machines made in the U. S. A. The remaining 25% came far from meeting the needs of hundreds of other contractors just as worthy in the United States and Canada. Any success Canada had in getting machines took on the aspect of a favor to Citadel Merchandising Co.



Once the bane of Canadian production plans, the bottleneck in machine tools has been licked by the swelling output of the machine industry, by common-sense joint priority ratings with the U. S. Prospect for 1942 is that many tool makers will again have spare capacity to convert to shipbuilding and other vitally needed production.

Lease-lend No Help

Lease-Lend added to Canadian difficulties because it prevented Great Britain selling machine tools to Canada so long as she was getting any from America. Even had sales been possible, shipping difficulties worked against any considerable supply of British tools.

Canada's machine tool industry had expanded enormously, but only in a limited number of lines and we were still dependent on the U. S. for the bulk of our supply.

There are signs here and there that the machine tool demand may pass its peak in a few months, on the basis of plans already announced. One recalls Administrator Leon Henderson's recent order that any plant or project which would not be producing within two years was to be abandoned. This is having the effect of releasing much immediate steel and many future equipment deliveries for other work.

The rates of production demanded by the stupendous figures of President Roosevelt's announced goal have in nearly all cases been reached months ahead of time. Of course new types of weapons, or new emphasis on certain items as the tides of battle change, will prevent the picture from growing monotonous, but meanwhile goals are in sight here and there and more are being reached every day.

Canada required about 13 months after June, 1940, to bring the first stages of her newly required plants—built from the ground up—into production. The United States has done so much better than this that a word of explanation is only fair, though it repeats an old story. Mechanical production in Canada was not a large scale industry in 1939, and the armament business which has built up in less than two years, is a completely new creature.

The largest plants have depended upon themselves for the entire new product for which they were responsible. Except for the automotive industry and a few engineering firms which bought their castings), most manufacturers aimed at self-sufficiency, usually on the assumption that competent subcontracting help was not the natural state of affairs that it was in the U. S.

One finds that in comparison with Canada's anti-aircraft gun plants, aircraft, field guns and gun mount shops, which produce almost every component under their own roofs or in their own branch plants, the great factories in the United States which aim at enormous production figures are chiefly only assembly plants, depending for their components on a constant and reliable root system of supply plants throughout the country.

Complete Units

As an example, one of Canada's automatic gun plants has a very large establishment, with machines which bore barrels, thread breech blocks, grind recoil pistons, make tiny hydraulic mechanisms, even cut gears and grind gauges. Its counterpart in the U. S. may now, in less than half of the elapsed time since inception, be turning out ten times the number of guns. However, it actually produces only one component—a subassembly of perhaps eight or ten simple parts, welded or riveted together and finished to almost the coarsest degree of any part of the gun.

All other parts are made in other plants across the country. The actual total of man hours per gun may be as much as 85 or 90% that of the Canadian gun despite much greater production. Yet it is known that the Canadian gun is superior in finish, machined to greater accuracy, conditions upon which American ordnance designers figured to skimp but have now found essential.

Greater production has been possible because the national economy in the United States already contained a backbone—in management, machines, engineering and craftsmen. Not only was this asset far greater than Canada's proportionately, but the mechanism for using it—the subcontracting consciousness—was far better developed. When the squeeze came, the experience of hundreds of executives who had been through the mill of subcontracting experience was quickly brought to bear, stimulated by the "defense clinics" which introduced many new shops to the ensemble. Thus war production quickly permeated the nation's industry by subdivision.

While this was at first impossible in Canada, the need for it was early recognized and the Department of Munitions and Supply set up its Industry and Subcontract Co-ordination Branch to create the necessary state of mind. Headed by F. L. Jeckell, formerly deputy to Ralph Bell, Director General of Aircraft Production, assisted by Drummond S. Giles, on loan from Canadian S. K. F. Co., the branch has been functioning for little more than eight months, having started from scratch. It could not be made up of experienced subcontracting executives—even mechanical men were virtually denied because they were few in Canada and badly needed on production.

The Branch had to work from an academic basis in laying its plans, gathering its information only insofar as it was voluntarily released, and persuading both prime and prospective subcontractors to accept each other contrary to instincts of long standing. It was therefore something that Mr. Jeckell was able recently to report some $7 millions of work negotiated in May through the Branch—this in addition to orders negotiated independently.

Emphasis Shifts

The emphasis in war production is, of course, constantly changing as the critical phases of battle swing from air to desert to land or sea. Therefore most plants cannot count on a constant rate of production of any one product — or even count on continuously producing one item, no matter what the difficulties of organizing for that one item in the first place. For example, Canada quickly swung into producing shells in 1939-40. Nothing else was thought to be particularly needed and Canada could turn out shells very well. We and Britain piled up a huge stock of shells—and fired very little of it except against aircraft.

So they accumulated faster than needed—and faster than ships could be spared to carry them overseas—but the shell plants couldn't turn out anything else.

Other items have piled up similarly but the plants could be turned over to other work. Until recently guns for arming merchantmen had to be produced at almost any rate. All the ships at our disposal needed protection, at once, if possible. So existing design, the simplest possible, was hurled into production all over the Empire.

In a few months all existing ships will be armed, if they are not already. The need for this gun is then, at most, at the rate at which new ships are being built; perhaps five or six a day. So here are gun plants with good machine tools and capable men, ready to turn their hands to something else.

Shipbuilding has been suggested as one outlet for this spare capacity. Neither the mechanical nor the structural elements of cargo ships require any but the commonest of ability. Here seems to be a chance to speed up this laggard in our output.

Tool Boom Ends

The thought of reserve capacity leads back to the machine tool industry in the U. S., which will undoubtedly in a few months, having passed its period of greatest demand, find itself with a huge reserve capacity for producing machinery to the highest accuracy. It will add to armament output an almost unexpected bonus of large scale equipment and man power.

Shortages of metals from the Far East have hit not only the domestic user but the producer of war equipment too, and a great deal of success has attended the search for alternate alloys. Tin and tungsten, like rubber, were very useful materials and supply of all three has been virtually cut off. To spread the currently available stock over the needs has meant strenuous study. Metallurgical reports for years back have been examined, their researches extended and experiments carried on intensively. Results have been so satisfactory in many cases that the alternatives have proved better than the original.

Saving Tungsten

Tungsten was used in the best of cutting tools—the point which actually separates the chip from the work in drill, planer, lathe or milling machine.

The favorite high-speed steel, containing 18% of tungsten, was used in fairly large pieces, the lathe tool perhaps ⅝ of an inch square by 3½ or 4 inches long. Then came the German-inspired development of cemented carbides—made by powder metallurgy. The carbides use 75% of the critical tungsten metal, or its cousins tantalum and titanium.

These metals made wonderful cutters—they could cut at undreamed of speeds and handle the hardest of metals with ease. But since they had very low bending strength the designers were forced to use them as tips, brazed to holders of ordinary steel. High cost of the tip metal encouraged the use of the smallest possible tips, because only the tip did the cutting. So a pound of tungsten used in the most thrifty setting this way could go as far as 75 pounds used carelessly in the earlier method.

Now the brazing of tips on to "shanks" of baser metal has been extended to the high-speed steel, so that tiny nibs of this even more tungsten-stingy alloy may be used, and the use of the metal spread even further.

Tin was used in bearing bronzes and what were thought of as "high-grade" babbitts, softer metals for the rubbing surfaces on which axles and crankshafts slid, corrosion-resistant castings for use at sea and anywhere rust was undesirable, for the coating on the humble food-containing "tin can," in solders—to mention the heaviest users, in which "substitutes" have been best applied.

For the bronzes, many long-neglected alloys have been made necessary and results are so good that sometimes better alloys have been applied and found to cost less than in the tin-lazy days. Silicon, nickel, manganese and aluminum all make alloys with copper which are acceptable bronzes for most purposes.

A Canadian gear manufacturer, a Canadian research metallurgist and a Canadian metal dealer have combined to produce a bronze for worm gears, one of the most exacting duties in the metal catalogue. This metal must have very high strength to carry the tooth loads, must be a fine bearing metal to stand the sliding of the worm tooth across its face, and must be good at carrying off heat. All these qualities, formerly thought possible only in a high-tin bronze have been found in an alloy of copper, nickel and antimony, all found right in Canada.

Solders using silver sound expensive but are so efficient that they actually cost much less on heavy duty applications than the earlier solder, which used 50% tin.

Silver can be applied to steel in a coating so thin (2 to 3 millionths of an inch) that it will be acceptable for cans for high-priced products. For lower-priced goods, cans may be coated with lacquers—and some have been for a long time now—or the process called bonderizing. Dog foods and similar thick products will be dried to a greater degree than heretofore and packed in waxed paperboard.

Babbitt is the metal which lines the "big-end" bearing on your automobile connecting rod. On large bearings such as those on diesel engines, babbitts originally used 92½% tin. Experiments looking toward better performance — before any tin shortage was thought of—found that a better babbitt was made up of only 7% tin, the rest lead!

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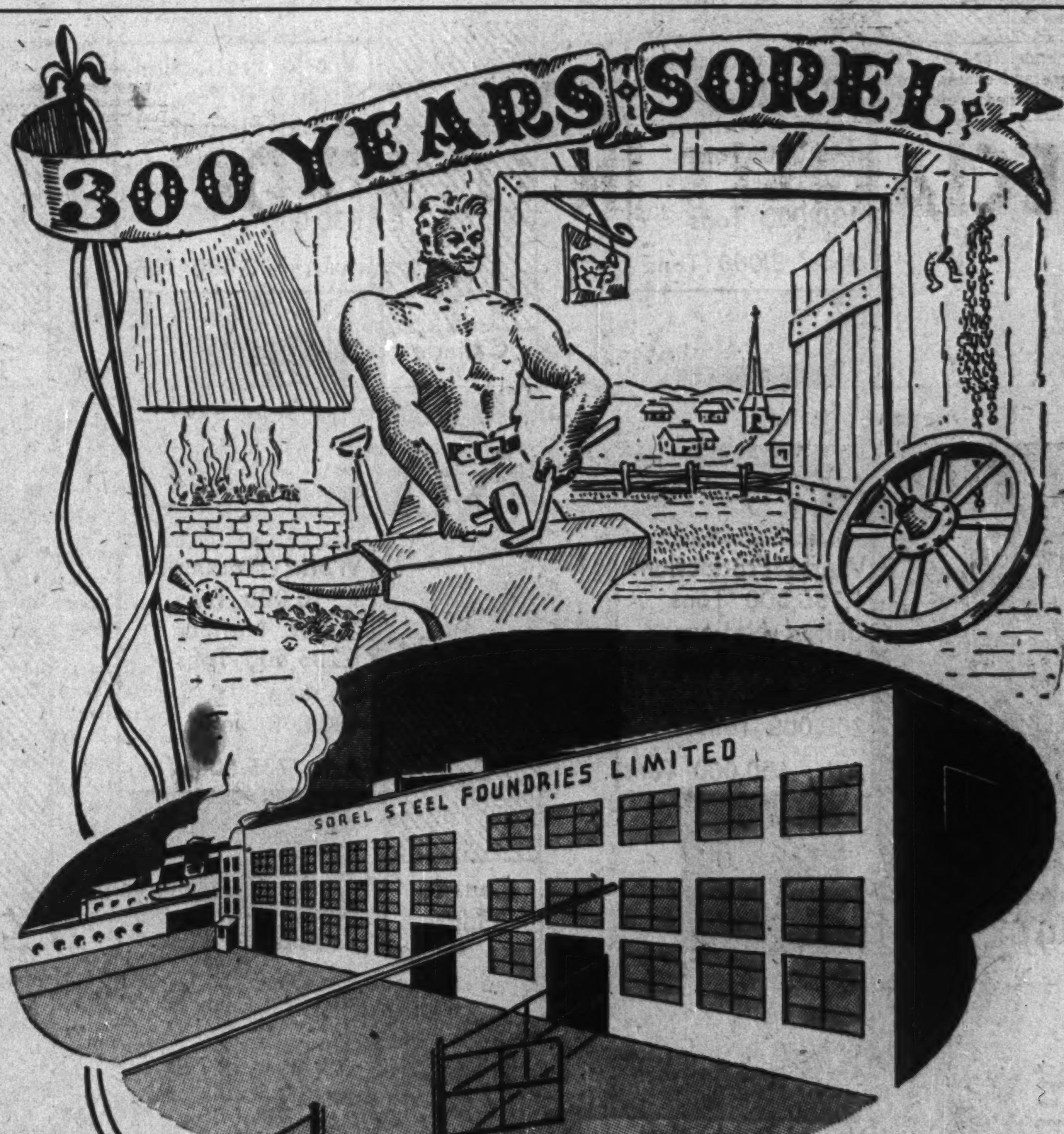

10 YEARS OUTSTANDING PROGRESS

We are proud to celebrate this year the 10th anniversary of Sorel Steel Foundries Limited which coincides with the 300th anniversary of the Town of Sorel, named after Capitaine Pierre de Saurel, its first Seigneur. From 1787 to 1845 Sorel bore the name of "William Henry", reverting again to its original name by proclamation. The Duke of Kent, Governor of Lower Canada, resided there from 1791 to 1794. The present Duke of Kent visited this historic residence by his own request last year.

In 1932 Sorel Steel Foundries Ltd. succeeded Beauchemin & Fils Ltd. (founded in Canada in the year 1859) and have successfully maintained their enviable reputation as producers of high grade manganese steel castings. Sorel Steel products play an important part in the War effort, going into ships and guns made in Sorel, as well as into many other vital war projects, i.e., replacement parts for equipment used in the development and maintenance of Airdromes and military highways in Canada and her defence outposts, they also play a part in helping the output of strategic war material from Base metal producing mines.

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Col. H. S. TOBIN; P. A. LAVALLEE; A. LUDGER SIMARD
P. H. DESROSIERS, Managing Director

SOREL STEEL FOUNDRIES SOREL QUEBEC LIMITED
EXECUTIVE AND SALES OFFICE: 1405 PEEL ST., MONTREAL

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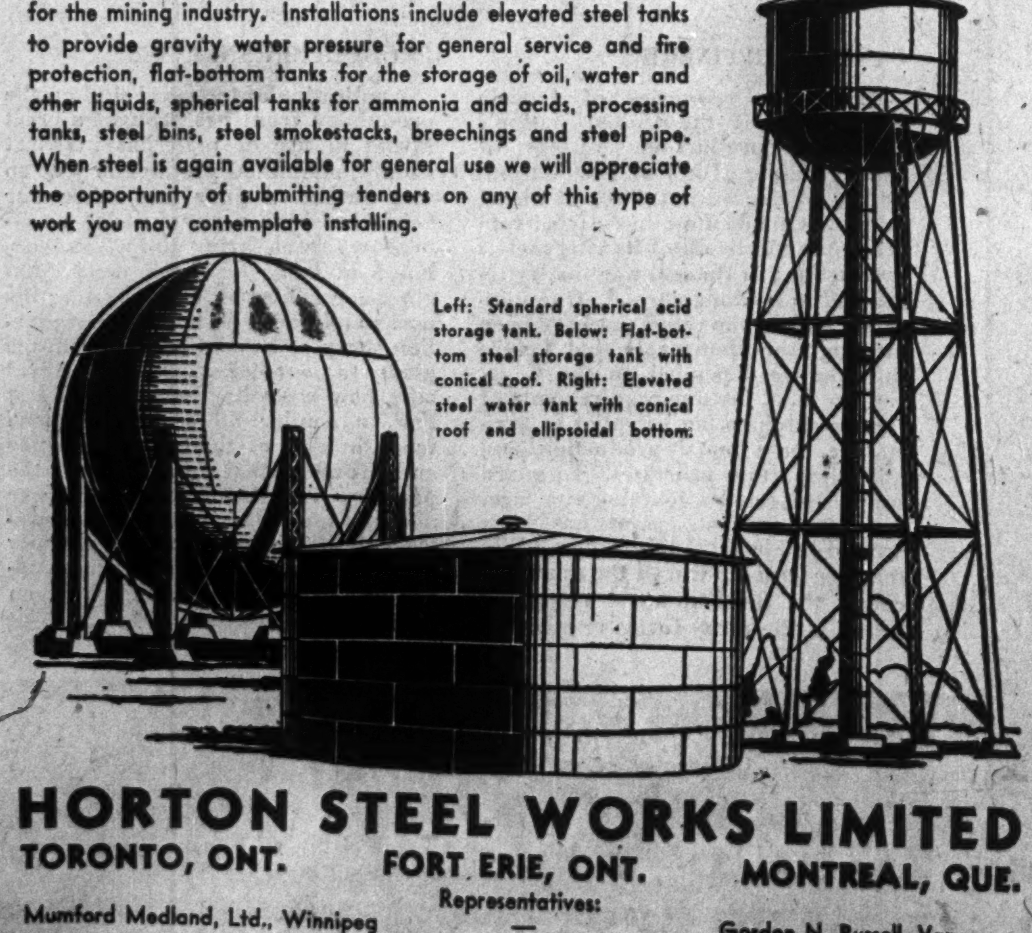
For almost 30 years we have built tanks and steel plate work for the mining industry. Installations include elevated steel tanks to provide gravity water pressure for general service and fire protection, flat-bottom tanks for the storage of oil, water and other liquids, spherical tanks for ammonia and acids, processing tanks, steel bins, steel smokestacks, breechings and steel pipe. When steel is again available for general use we will appreciate the opportunity of submitting tenders on any of this type of work you may contemplate installing.



Left: Standard spherical acid storage tank. Below: Flat-bottom steel storage tank with conical roof. Right: Elevated steel water tank with conical roof and ellipsoidal bottom.

HORTON STEEL WORKS LIMITED
TORONTO, ONT. FORT ERIE, ONT. MONTREAL, QUE.
Representatives:
Mumford Medland, Ltd., Winnipeg — Gordon N. Russell, Vancouver

War Booms Steel Output

By ARTHUR D. ELLWOOD

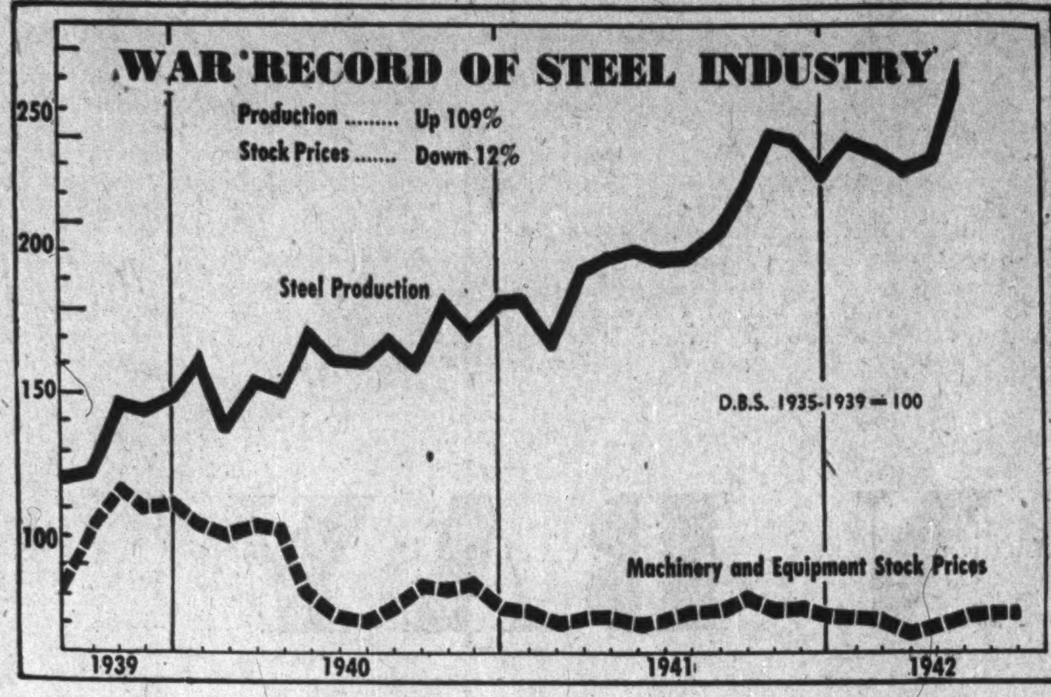


Chart by The Financial Post

Canada's steel industry has never produced more than at present. But high taxes have prevented this roaring trade from boosting the value of the investor's holding.

Since Aug., 1939, steel production in Canada, as measured by the Dominion Bureau of Statistics index, has more than doubled.

During this same period, the D.B.S. index of eight machinery and equipment company stocks, largely made up of companies producing or fabricating iron and steel products, has declined about 12%. These stocks have never come close to approaching again the peak they hit in Oct., 1939, following a rise of about 30 points in the early days of the war.

Another group — building materials which includes steel companies—is down 13% since the war started although up less than 2% this year.

This fact indicates the small share which the investor is getting out of the record activity of the steel industry. War has enabled steel companies to produce more iron and steel than ever before but it has not been reflected in the stock market action, in dividends paid, nor, except to a limited extent, in net profits after taxation.

Out of five primary steel producers two were able to report higher net profits for 1941 than in 1939, three of them reported lower profits.

Problems of the steel companies are well expressed by R. H. McMaster, president of Steel Co. of Canada, at this company's annual meeting in April this year. He told shareholders that his company's steel consumption in 1941 increased 35% over 1940 and 90% over 1939. Sales in value were up 36% from the previous year or 89% from those of 1939. He then stated:

"Under other than war conditions such an unusual growth in sales and production would have been accompanied by largely increased profits. Inasmuch, however, as the expansion of productive facilities has exceeded by a wide margin any prospective postwar needs, it has been necessary to write off certain of the expenditures over a short period and, recognizing this, the War Contracts Depreciation Board has issued the required certificates for this purpose. Although profits, after this special but necessary depreciation, are only slightly above those of the preceding year, much satisfaction may be derived from the fact that your company has been able to make a very worth-while contribution to the country's war effort. Prewar prices of heavy steel products remain unchanged at the close of the year. As a result of rising trend of costs, margins per unit have shown a steady decline and, in some cases, have become quite inadequate. While the greater volume of production has helped in some measure to overcome the effect of increased costs it will be obvious that the benefits derived from higher output will cease to increase when the limit of expansion is reached."

Continually rising production volume has pretty well offset higher costs to date but when an industry produces at 99% of its theoretical capacity, as did one section of the steel industry in May this year, it becomes clear that not much help can be expected from this source. Normal profit margins are a thing of the past.

This condition is not without its mitigating circumstances. There is, for example, the huge amounts being set aside for depreciation and special write-offs. It is probably true that plant expansion on the scale of the past couple of years could not be justified on any reasonable basis under normal conditions. But it has been carried out and, in effect, is being paid for out of wartime business.

The result will be that the steel companies will have modern plants, fully written off on their books within a short period. This plant—new and modern—will have value after the war, how much can hardly be guessed at this stage. But the fact remains that shareholders' equity is being built up in assets even if not in net profits or dividends.

How depreciation charges and net assets per common share for the five companies have changed since the war started is shown by the following tabulation:

Where Gross Earnings Go

Depreciation and Reserves

	1941	1939
	$	$
Algoma Steel	1,790,307	683,168
Burlington Steel	42,000	42,000
Dominion Foundries .	2,005,771	308,223
Dom. Steel & Coal ..	1,795,925	1,212,769
Steel Co. of Canada ..	4,742,022	1,585,399

Income and Excess Profits Taxes

	1941	1939
	$	$
Algoma Steel	247,803	235,833
Burlington Steel	133,000	31,628
Dominion Foundries .	850,000	329,128
Dom. Steel & Coal ...	—not avail.—	
Steel Co. of Canada ..	3,520,000	1,899,569

Net Assets per Common Share

	1941	1939
	$	$
Algoma Steel	40.35	37.59
Burlington Steel	11.09	10.28
Dominin Foundries ...	19.48	17.80
Dom. Steel & Coal	40.04	36.64
Steel Co. of Canada	80.64	71.67

Net Working Capital

	1941	1939
	$	$
Algoma Steel	4,244,258	4,017,535
Burlington Steel	1,036,019	872,544
Dominion Foundries ..	2,748,281	2,135,800
Dom. Steel & Coal ..	13,349,317	9,765,687
Steel Co. of Canada ..	17,771,471	15,602,097
Total	39,149,346	32,393,863

Working capital is being increased and debts reduced by the steel companies. Altogether their basic position is improving even if earnings do not reflect this condition.

Tax Schedules

The new tax schedules will be another barrier to any increase in earnings. Finance Minister Ilsley points out that, for companies paying taxes in the maximum excess profits tax bracket, it will be impossible under the new schedules to have more than 70% of their prewar basic earnings left.

Although no definite information is available it is reasonable to assume that all steel companies have been placed in some special classes in regard to allowances for write-offs on added equipment, special contingency provisions and perhaps in other ways. This will help to cushion the impact of the high tax schedules.

The conclusion is that shareholders of steel companies can probably expect to find per share earnings maintained around the relatively satisfactory levels of the last couple of years for the duration of the war. Their dividend return should also be around current levels, justified by good earnings and generally satisfactory financial position of this group.

There seems little prospect for higher dividends. Arthur Cross, president of Dominion Steel & Coal Corp., told shareholders at the company's last annual meeting that, while the question of dividends on the company's class B shares would be considered, no definite commitment could be made now because of the greatly increased working capital which growing operations required. This condition applies to most companies in this group.

There is the ever-present problem of a greatly increased productive capacity and potential disappearance of the wartime stimulation that made it necessary. But it will be a productive capacity changed in many ways. It will have greater diversification with many modern plants and all its properties placed in efficient operating condition.

WARTIME EARNINGS RECORD

	—Net Earnings— (Before int., deprec., tax)			—Net Profit— (After all charges)			—Per Com. Share—		
	1941	1940	1939	1941	1940	1939	1941	1940	1939
	$000	$000	$000	$000	$000	$000	$	$	$
Algoma Steel*	2,697	2,561	1,900	414	912	780	0.70	1.96	1.62
Burlington Steel	330	271	187	151	131	111	1.08	0.93	0.79
Dominion Foundries	4,277	1,913	2,000	1,096	501	1,213	2.80	1.18	3.47
Dom. Steel & Coal	†3,449	†3,156	3,039	1,166	1,157	1,333	1.12	1.11	1.28
Steel Co. of Canada	12,702	9,317	8,340	4,440	4,264	4,687	§6.17	§5.92	§6.51

*Year ends April 30; 1942 figures included.

†Income and excess profits taxes deducted with operating expenses in 1941 and 1940.

§On combined preferred and common shares.

Westinghouse Motors
Years ahead in Design
TESTED BY TIME
PROVED BY EXPERIENCE

Westinghouse Motors offer two vital advantages under today's conditions.

One is "Years Ahead" Design — the result of Westinghouse experience, development and research—which goes back to the first industrial use of alternating current.

The other is, proved *known* performance that enables round-the-clock schedules to be set up and maintained without fear of motor failure. Hundreds of thousands of Westinghouse motors in use for 5-10-20 years and even longer have proved their soundness.

125 H.P. Westinghouse Protected Type HW Wound Rotor Motor 3 phase 60 cycle 2200 volt, driving underground crusher at MacLeod-Cockshull Gold Mines Ltd., Geraldton, Ont.

662

CANADIAN WESTINGHOUSE COMPANY LIMITED
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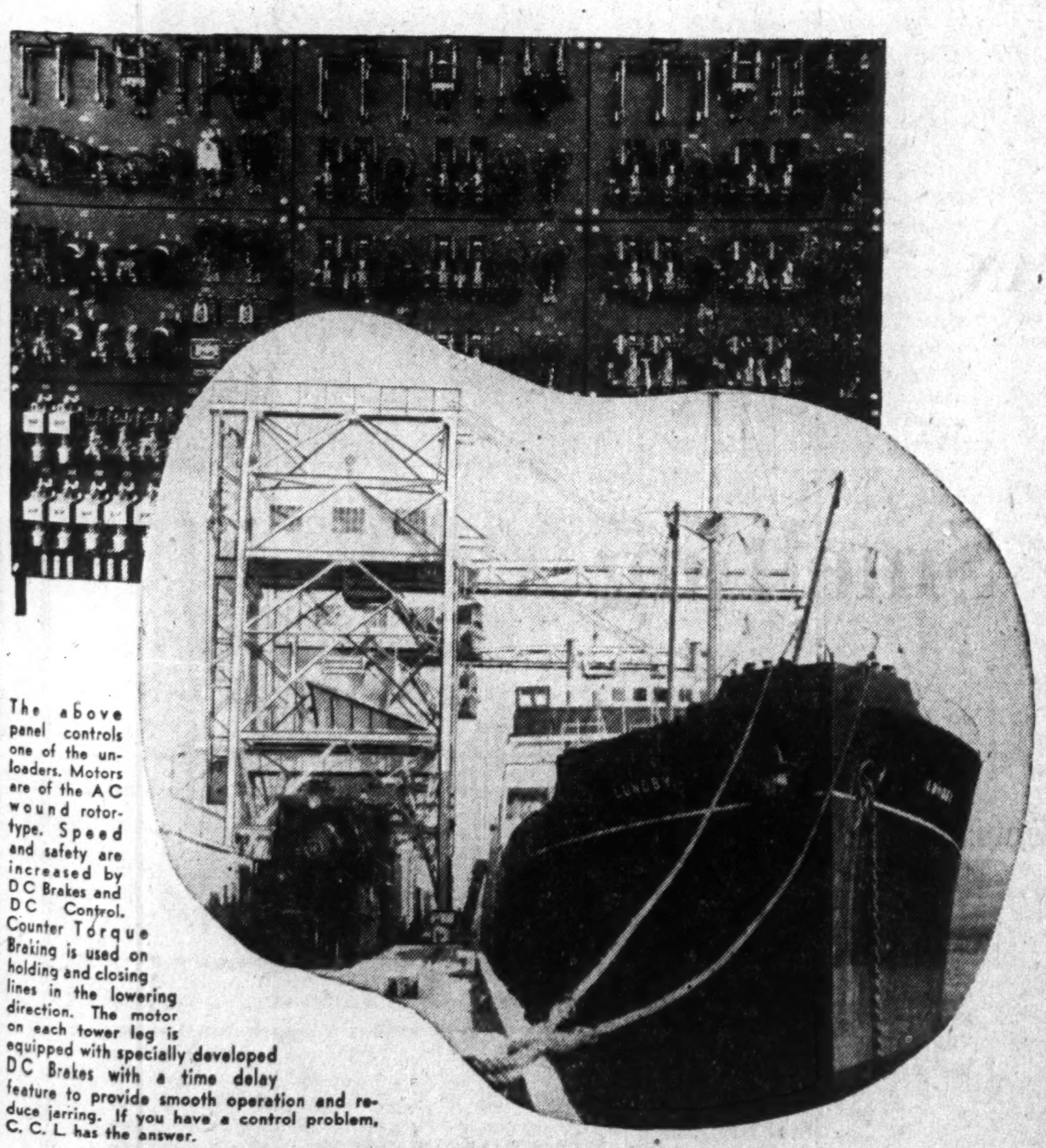
SPECIALISTS IN CONTROL

Built the equipment for these Bauxite Unloaders



The above panel controls one of the unloaders. Motors are of the A C wound rotor-type. Speed and safety are increased by D C Brakes and D C Control. Counter Torque Braking is used on holding and closing lines in the lowering direction. The motor on each tower leg is equipped with specially developed D C Brakes with a time delay feature to provide smooth operation and reduce jarring. If you have a control problem, C. C. L. has the answer.

Manufactured and sold by RAILWAY and POWER ENGINEERING CORPORATION LTD.
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TORONTO, CANADA

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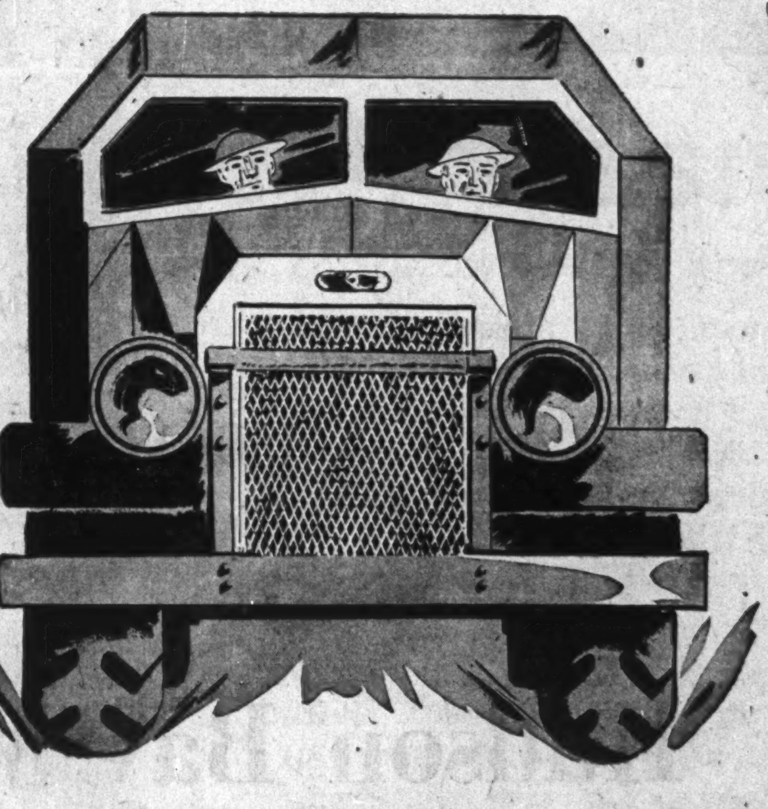
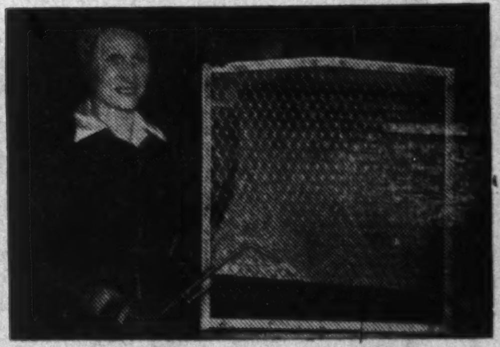


Riveting handles on tool boxes.



Radiator Grille for Truck.

Section of Stamping Plant.

Thousands of PEDLAR Stampings are produced for the mechanical transport of the United Nations

If we are to have army trucks and carriers by the hundreds, we must produce necessary steel stampings by the thousands.

We are proud to claim that a very large percentage of Canadian-built army vehicles are "Pedlarized" with hoods, radiator grilles, tool boxes and other units manufactured in our main plant at Oshawa, Ontario.

While production for War is our principal job at the present time, we are also busy laying the ground work in planning better Metal Roofing, Culverts, Metal Lath and other Pedlar's Metal-Built Products to meet post-war demands. We invite enquiries on your special stamping problems.

The PEDLAR PEOPLE Limited
Established 1861
HEAD OFFICE - OSHAWA, ONTARIO
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Mining and Smelting
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COPPER, ZINC

GOLD, SILVER, CADMIUM

SELENIUM and TELLURIUM

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Mine and Metallurgical, Plants

at

FLIN FLON, MANITOBA

●

Hydro Electric Plant

at

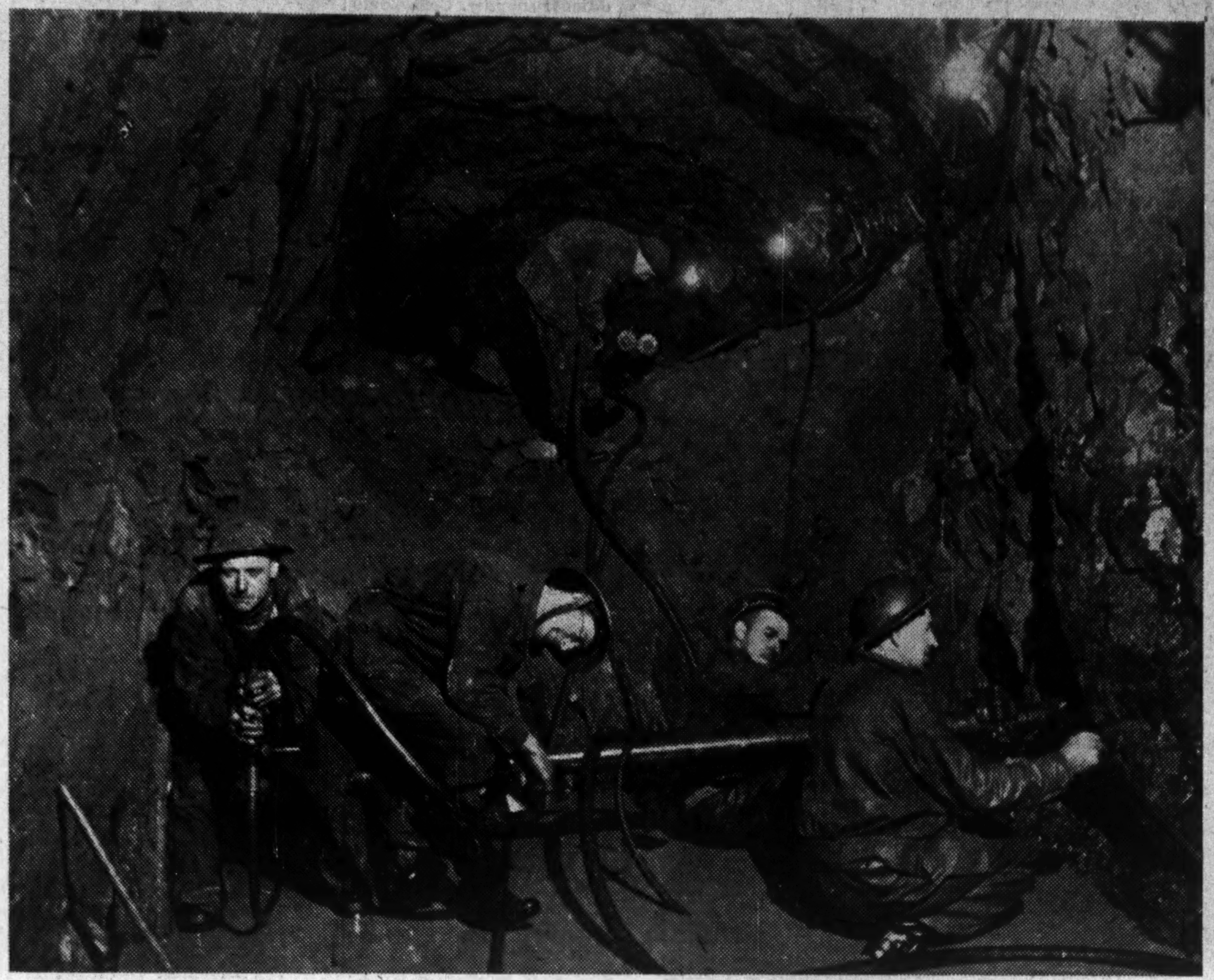
ISLAND FALLS, SASKATCHEWAN

Hudson Bay Mining and Smelting Co., Limited

Incorporated Under The Dominion Companies Act, December 27, 1927

Weapons: New Job for Mines

By GORDON M. GRANT



Army tunnelling companies for overseas service were one of the first contributions of Canada's mining industry to the war effort. Canadian hard rock miners made up the personnel and 50 of our foremost mines contributed $100,000 of equipment so there would be no delay in getting the men overseas. As a result Canadians are today carrying on tunnelling operations in the United Kingdom, Gibraltar and elsewhere. Mining companies have been able to get together a further $400,000 of equipment for which the government has assumed the liability and our men abroad have the best in equipment. The mines are contributing to this programme in still another way. They are repairing their old equipment wherever possible so equipment deliveries to our armed forces will be maintained at the desired level.

—*Canadian Army photo.*

Shareholders in ordinary times might not see eye to eye with mine managements which would lay out money and effort on projects giving little indication of profit.

But that's what most mine managements are doing today and it's not likely that any patriotic shareholders will disagree with the course being taken. Mine managers have undertaken with gusto the changing over of mine machine shop repair facilities to war production work. Any hope of profit has been incidental, the chief motivating factor being the determination to make a substantial contribution to the war effort.

Started May, 1941

Right from the outset of the present conflict, mine managements realized they had a potential source of war production in their machine repair shops.

It was not till May, 1941, however, that the mines representatives were called to Ottawa and told of the need. The mines began their present programme without delay.

Now, after a year's work, one western Canada mining company alone is turning out more of the huge mine sweeper marine engines [illegible]

Since initiation of the mining industry's war machine shop programme—through the Wartime Mine-Shop Association—approximately $2.25 millions of orders have been placed or roughly enough work to keep the mine machine shops busy for two years. About 90% of potential capacity is being utilized and only lack of certain needed raw materials prevents operations being stepped up to capacity.

Some mines have installed equipment to handle this new type of work and as far as most mines are concerned, this is a direct contribution to the war effort as these machines may have little more than scrap value after the war.

Show Little Profit

While the mines work nominally under a "cost plus" contract basis, little if any profit is realized in most cases. Direct labor and material are charged, but the amount included for overhead is purposely low and is believed to be considerably under the overhead charge that must be paid for having similar work done in a specially-designed plant. Many mines absorb freight and other delivery charges.

Production this year of the mine machine shops may reach $800,000. Capacity is still being built up, however, and output next year may be considerably greater. Censorship prevents revealing what individual mines are doing, but it can be stated that a wide and growing range of war products is being turned out. Here are a few of the items:

Engines for mine sweepers; reversing engines and engines for driving generators; a key part of a 4-inch gun; large ballast pumps and other material for our 9,300-ton cargo ships. The entire list of war production items includes many replacement parts.

The mine machine shops are co-operating closely in their activities and the success of the present programme is undoubtedly due in large part to this co-operation.

In a big mining camp, one company will turn out one part for an item of equipment while other items will be made in adjacent shops. One central machine shop may have the job of assembling and testing the finished product.

When it comes to making war equipment contracts, the individual mining company deals directly with his "consumer"—a manufacturer, a shipbuilding organization, or whatever firm uses the product turned out.

Many Bodies Help

With mine machine shops located in the various mining areas from coast to coast, co-ordinating the various plants in a war programme has been a very real achievement. The programme has been directed by the Wartime Mine-Shop Association and seven mining associations across Canada: the B. C. association, the Alberta body, the Saskatchewan-Manitoba organization, the Ontario Mining Association, two Quebec mining associations and the Nova Scotia mining association.

It is believed the programme has been carried on in every province with the exception of Prince Edward Island which has not yet entered the ranks of the metal producers.

The central directing organization is made up of experienced mining executives, most of whom are engineers well qualified to handle any production problems. Chairman of the central organization is Oliver Hall, Noranda's chief engineer. J. G. McCrea, Manager, of Sigma Mines is vice-chairman. William Dunn, mill designer for Ventures' interests, is the central co-ordinator. Other coordinators are Charles Kemsley for Porcupine, Robert Stewart for Kirkland Lake, Walter Turner for Quebec and Mr. Tieje for Trail, B.C. International Nickel Copper Cliff plants have their own co-ordinator as has each individual mining area.

Go the Limit

Both gold and base metal mining companies plan to continue their war machine shop programme to the limit of their capacity.

Gold mines particularly are experiencing a shortage of labor now and use of men in machine shops who could profitably be employed elsewhere may mean a very real sacrifice. Steps are being taken to assure adequate supplies of labor to base metal operations, but as far as gold mines are concerned, continuation of machine shop programmes will undoubtedly be a drain on available labor supplies.

Possibly the gold mines may be given preferred treatment when it comes to hiring men for war machine shop work.

Reasons For Starting

Available machine shop capacity and a supply of experienced and skilled labor were two leading factors in bringing war industry to the mines. At the outset of the war, capacity in Canada's industrial areas was not fully employed and while war work for machine shops was mooted, it was not until a year ago that the machine shop programme was undertaken.

While machine shop capacity and skilled labor were instrumental in bringing war workers to Canada's mines, another factor seems to assure that it will stay there. This is power. A considerable number of our northern mining areas had extra power available to be used for war work.

At a time when power supplies generally have not been adequate to take care of total demands, this has been most important.

While the mines are perhaps in out of the way places for industrial work ordinarily, in wartime this ceases to be so important a factor. If comparable industry was established elsewhere, not only would erection of new plant capacity be necessary but it might also be necessary to build special housing to look after workers. At the mines, industrial capacity is already established and requirements of equipment and materials have not been great at a time when a general shortage of these has been occurring.

Further Expansion

There are some people that view the mining company as logical place to expand war production still further—based on the war machine shop programme model. It is pointed out that in the Kirkland Lake area alone there are 500 empty houses at present. It might be more economical to establish new war industry in Kirkland Lake than at some other point where housing accommodation is lacking, it is suggested.

A high cost of living has at times been suggested as a reason for not establishing war industry in the mining camps. However, the larger mining areas seem to have a reasonable cost of living—compared with southern Canada—and this argument hardly seems valid. While mining labor may be considered to be short in mining areas, actually there is a considerable reserve of female labor which at present lacks employment. There is still a considerable supply of extra power developed.

The Wartime Mine-Shop Association believes in continued improvement in methods and ideas of operation. With this in mind, the organization meets with an association of small machine shops in cities, and with the pulp and paper industry, the oil industry and the electrical association once a month. In this way the best ideas in Canada's Bits and Pieces Programme get around.

"Every man every machine working every minute"
HYDRO POWERS
ONTARIO'S BITS and PIECES PROGRAM
1
2
3
1. Working on parts for anti-tank gun
2. Gear cutter at work
3. Turning out Vearie Cartridges
Save HYDRO
INCREASE Tank PRODUCTION

● Men and materials, machines and power—all on a tireless, almost timeless schedule. These are the factors that have turned Ontario's wonderful "bits and pieces" production into a well co-ordinated, steady flow of war materials.

Hydro-Electric energy is the driving force that is enabling hundreds of Ontario plants, from little village machine shops to huge industries, to be dedicated to the great crusade for Victory.

In excess of 2,000,000 horsepower of electrical energy is being supplied in Ontario by Hydro—approximately one half is now harnessed to war production. More is demanded. New plants are being projected.

NOW—let us all conserve Hydro by "bits and pieces" in our own homes and offices, to keep Ontario's wartime "bits and pieces" program going full blast. Every man and every machine must be kept working every minute.

WHAT "BITS AND PIECES" MEANS

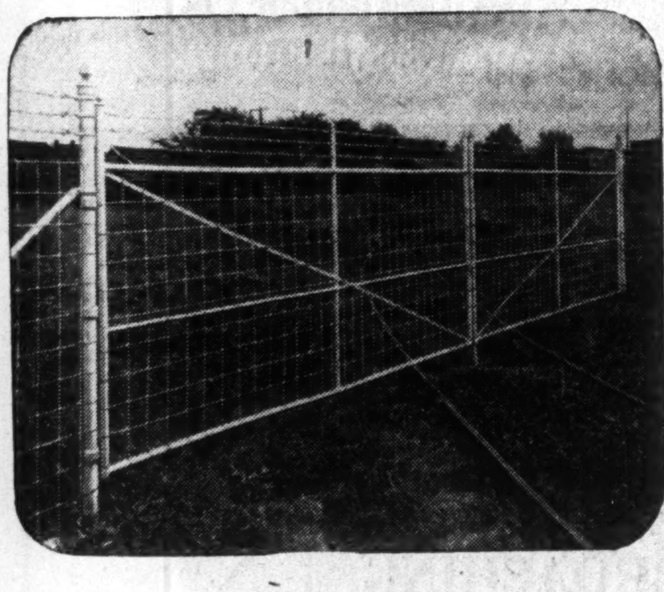
In scores of Ontario plants "bits and pieces" are being manufactured for war weapons, some parts very minute others weighing many tons are being cut, moulded, machined and finished. These are finally assembled into fighting units at central points. That's "bits and pieces" production. Hydro powers these plants. As a further contribution to the war Hydro's own maintenance equipment when not required for its own use is producing "bits and pieces." Hydro makes men, minutes and materials count for more—provides power to help Ontario produce about half of Canada's total of war weapons.

HOW TO SAVE ELECTRICITY

Turn off electric lights when not needed. Use the electric range sparingly. Everyone must resolve to save some electricity in some way every day. Every unit of electrical energy that can be saved for wartime purposes will help.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

BETTER FENCE
for MODERN PLANTS



OJIBWAY

6" SQUARE MESH
WATCHMAN FENCE

Provides unclimbable, foolproof protection for Canada's vital industries — releasing guards for other work. Extra rugged, heavily galvanized and built on steel posts — to stand up under all weather conditions. Back of every foot of it is the OJIBWAY standard of high quality. At present for sale only to plants or institutions directly concerned with war work. Prices on request from Wartime Industries.

Look for the Indian Head to be Sure it's OJIBWAY

CANADIAN STEEL CORPORATION
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MILLS: OJIBWAY, ONT.
EXECUTIVE & SALES OFFICES: WALKERVILLE, ONT.

*MAGNESIUM

Tomorrow's Metal Today!

Reducing weight thus increasing speed and performance—in a bomber, for example, adding to load capacity by lessening dead weight thus enabling "more striking power per load" — MAGNESIUM ELEKTRON castings are on active service for Victory.

We are proud to have pioneered in Canada the production of these castings for industry — from the most intricate in design and unvarying in their quality and dependability.

* *Lighter even than aluminum and higher in strength-weight ratio*

THE ROBERT MITCHELL COMPANY
LIMITED

Foundries
St. Laurent, P.Q.

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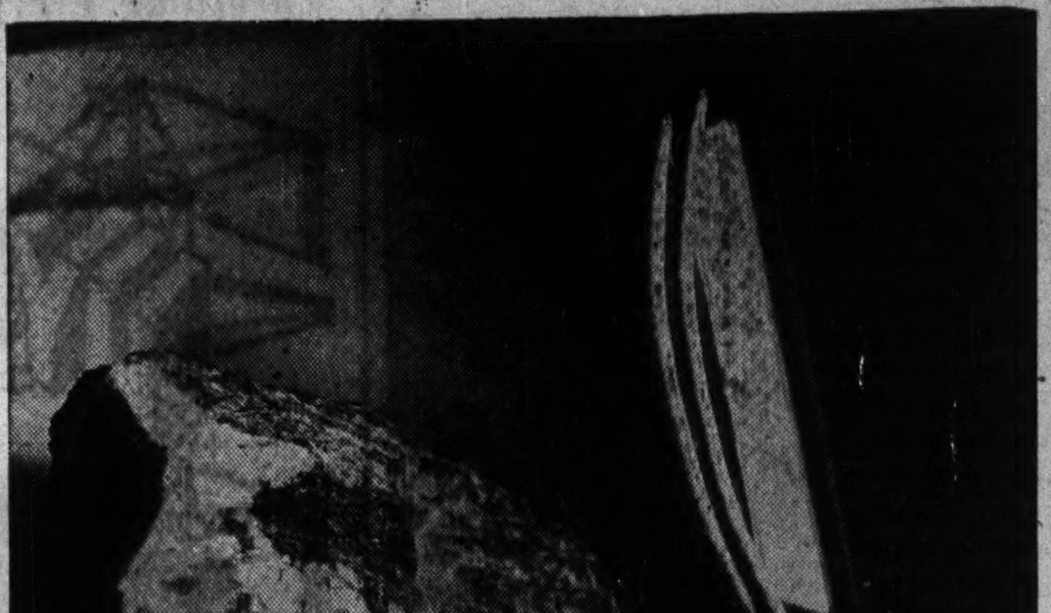
"Specialists in the Casting and Fabrication of Modern Alloys"

Prospecting Dons Battle Dress

Governments Spur the Hunt for Vital Wartime Minerals in Reply to Axis Conquests and Ship Sinkings



—Jean Merrill photo for The Financial Post.

This looked just like any other piece of rock under ordinary daylight. But under the fluorescent lamp, a white streak of glowing material appeared—scheelite, the ore of tungsten. Prospectors across Canada are today examining hundreds of samples of rock with similar lamps for this tell-tale fluorescence. Their success or failure will have a most-important bearing on Canada's war effort. Our tungsten supplies from China have been entirely cut off but we still need the metal for machine tools and tipping anti-tank shells.

Prospectors have a new wartime encyclopedia. It's called the Prospectors Guide for Strategic Minerals in Canada, published by the Dominion Department of Mines and Resources and now in its second edition.

For a country with perhaps as large a per capita mineral production as any other in the world, Canadian prospectors and mining men had a surprising lack of knowledge concerning certain strategic minerals when war first broke out. They were satisfied to let other countries turn them out, concentrating their prospects and their development efforts on gold and the better-known base metals — nickel, copper, lead and zinc.

There is just as much interest in base metals today, perhaps more, but prospecting generally has rapidly shifted from gold to a long list of unfamiliar but very essential metals; chromium, manganese, tungsten, molybdenum, vanadium, tin. To the hunt for metals has also been added the search for industrial minerals such as mica, iceland spar, graphite, fluorspar, and quartz crystals.

Greater Effort Needed

While a great deal has been done to secure needed war minerals, even greater efforts will apparently have to be made in future if all demands are to be met. Japan's easy conquest of the Far East has caused considerable embarrassment on the war mineral front. That we can meet our requirements eventually in metals or their substitutes is not doubted but we haven't made sufficient progress to justify any self-satisfaction as yet.

Lacking the same financial resources Canada has been somewhat behind the United States in production of many strategic minerals, although we have made notable progress in several, notably mercury.

Some mining men blame lack of more rapid progress on the absence of higher metal prices as a stimulant.

Some increases in the prices of strategic metals have already been made but it is understood that the whole question of the adequacy of present mineral prices is likely to be gone into again.

Canada has taken a number of important steps to conquer the war mineral problem. Special prospecting classes have been held, tax concessions have been given for prospecting and bringing new war metal mines into production, and a certain amount of government financial assistance has been available when a badly-needed war mineral could be placed in production. The government's geological investigations have been directed almost entirely to the war minerals question and a War Metals Advisory Board has been set up to assist the Metals Controller in determining what resources exist for further production of war minerals.

Aid to Prospectors

In Ontario, the special classes for prospectors held under the auspices of the Ontario Prospectors and Developers Association in Toronto, Kirkland Lake and Sudbury, gave the prospector first-hand information on how to search for war minerals and how to recognize them. The prospector became acquainted with the fluorescent lamp which reveals tungsten and other needed war minerals. The prospectors were told how good a property had to be to be commercial and when the country might be interested in sub-commercial properties as well as those which could be worked on a commercial basis.

With the present high level of taxes, the fact that a new war metal producer can be placed in production with only the 18% corporation tax on profits for the first 3 years is important. This tax concession won't necessarily place any sub-commercial property in production by itself but is a valuable adjunct to the programme as a whole.

The War Metals Advisory Board has already completed investigations of a large number of properties. Its work has been naturally devoted largely to taking stock of our resources in sub-commercial deposits so that these may be explored rapidly in case of necessity.

After practically three years of war, the Dominion has commenced production of perhaps a majority of needed war metals and prospects are considered encouraging for a further substantial increase in the output of most items.

Here is a brief survey of the record to date on war metals:

Tungsten

More than a score of gold mines in Ontario, Quebec, and British Columbia, have found scheelite, the ore of tungsten, in their veins and are taking steps to recover tungsten values. Hollinger Consolidated, Canada's premier gold producer, has completed a 120-ton mill for the recovery of tungsten contained in its ores. Preston and Delnite are other Porcupine mines with scheelite.

Mines in the Little Long Lac and Red Lake areas are also planning scheelite production.

A considerable number of properties are already shipping scheelite concentrates to Ottawa for treatment. A new treatment plant is being installed at the Quebec government-owned Gale mine in the Siscoe-Lamaque area. This plant will treat scheelite from a number of mines in this general sector. Consolidated Smelters, the leader in the war metals field, has placed in production the tungsten property known as Red Rose, near Hazelton, B.C. The B. C. government is buying tungsten concentrates.

Some tungsten concentrates have been shipped from the Slave Lake gold mine in the North West Territories and the Dominion Government is carrying on further exploration in that area this year. Republic Tungsten, Good Rich Gold Mines, and other small properties have interesting showings. Prospectors are working all across the country this year with fluorescent lamps which betray the presence of tungsten.

Siscoe Extension Gold Mines, an old gold prospect has been found to possess scheelite and is being reopened with Siscoe Gold Mines putting up the money.

Mercury

Mention has already been made of the important new producer at Pinchi Lake, British Columbia, owned by Consolidated Smelters. This single mine, discovered since the outbreak of war has removed most of the worries concerning this metal which is used in detonators.

Prospecting for mercury in British Columbia is being carried on extensively. The whole province is considered favorable for discovery of the cinnabar or mercury-bearing lodes which are close to surface types of deposits. In ordinary times, output from Pinchi Lake would be sufficient for Canada and all the British Empire, but in view of growing requirements, the search for new deposits to increase the output of mercury is a matter of both military and economic importance.

Molybdenum

Over 400 occurrences of molybdenite, the ore of molybdenum, are known in Canada but there is little, if any, production at the present time. Lack of a market has made development of properties spasmodic but increased prices for molybdenum are stated to have been offered for several properties recently and this is expected to stimulate new production programmes.

Norwin Molybdenite has a crew of men at work on a property near the Quyon Mine in Quebec and if a commercial deposit is developed, concentrates might be shipped to the Quyon plant for treatment. Siscoe has been asked by the War Minerals Board to operate the molybdenite property in Lacorne Township, Quebec. In the Renfrew area of Ontario, a number of properties, including Mount St. Patrick Syndicate, have been active recently. Considerable production was realized from this area in the last war. Four areas in Nova Scotia have molybdenum.

Several steel and alloy manufacturers in Canada use molybdenite concentrates in the form of addition agents. These agents are not now made in Canada. Except at the Moss mine at Quyon, Quebec, where Quyon Molybdenite has a small plant for converting its own concentrates, there are at present no addition agent plants in Canada. A market for concentrates has developed recently, however.

Tin

We will likely be short of tin for the duration of the war. Most of our tin supplies came from the Far East and while the United States has commenced operation of a tin smelter in Texas, using Bolivian ore, output will be small compared with requirements.

Tin is not a common metal in Canada. There are a number of showings of the mineral in northern and eastern British Columbia, perhaps the most favorable area for finding additional supplies. Consolidated Smelters is undertaking production of tin as a by-product at its Trail smelter but the output is far short of supplying Canada's demand. In the Yukon, traces of tin have been found in the unglaciated parts but no serious attempt has so far been made to test the gravels of this area for tin. Northern Manitoba has some tin showings.

Magnesium

Just another item in the list of elements as far as Canadians were concerned before the war, Canada will shortly take its place among the commercial producers of magnesium. Dominion Magnesium, operating a government-financed plant on a no profit basis, will start within a matter of days turning the important light metal out at the rate of 10 tons a day.

Another process, the English Blackwell-Turner, is to be used to turn out magnesium from serpentine rock in Ontario.

There is not likely to be any heavy prospecting for magnesium deposits even though the metal must be turned out in large quantities. Dolomite magnesium-bearing deposits are plentiful and of the many dolomite deposits reported in a special government survey, it is believed that only the one near Renfrew is being utilized at the moment. As the dolomite deposits are located at surface, they lend themselves admirably to plans for early production.

Aluminum

Chances of finding bauxite, the chief ore of aluminum, in Canada are considered to be just about nil by most authorities. A "hot-weather" ore, bauxite is most common in tropical areas where rainy seasons are followed by hot dry spells.

But Canada has extensive deposits of nepheline syenite from which aluminum can now be extracted commercially if necessary. A considerable amount of work has already been carried out on nepheline syenite deposits. A great amount of the spade work has undoubtedly been done if it should prove necessary to turn out aluminum from nepheline syenite before the war is over.

There is plenty of bauxite in British Guiana, where most Canadian and United States supplies come from, but getting the ore here during a shipping crisis presents a serious problem. The loss of one ore-carrying boat would be serious. The United States is opening up large deposits of low grade bauxite but there is no certainty that supplies from this source would be adequate if South American sources were cut off.

In view of this situation, the results secured in the nepheline syenite field may be of crucial importance.

Mica

Used in spark plugs and a great variety of other electrical apparatus, adequate supplies of mica are reported to be almost essential to the regular operation of a considerable part of our industrial establishment.

Both amber and white micas occur in Canada, Canada being the only place where the rarer amber mica is found outside of Madagascar.

Most of the new production is being secured by reopening old properties but rich discoveries such as the Purdy-MacDonald south of the Ottawa may be repeated. It is reported that Inspiration Mining & Development is preparing to mine a number of showings in the same locality as the Purdy-MacDonald find.

The entire mica-bearing region of western Quebec and eastern Ontario is pitted with small surface prospect openings, many of which have never been given a fair trial for want of capital. An increase in the price of mica might result in the reopening of a number of these properties.

Other Minerals

There are a considerable number of minerals not mined extensively in Canada now which would be a boon to the war effort. Manganese, vanadium, chromium and fluorspar are high up on the list of those minerals needed.

The Dominion Government has provided some finances for the placing of fluorspar properties in production and production has also been arranged for old chrome properties in the Eastern Townships. These developments, however, do not meet the full demand.

New factors govern whether an individual property will be placed in wartime production or not.

First: the war metal concerned will have to be in great demand, perhaps in greater demand than some other metal of which we are also short.

Second: the length of time required to place it in production and the capital cost may together be much more important than the production cost per pound of metal.

Third: the quantity of strategic material, including U. S. priority material, required is of great importance.

Speed-up Coming

The United States has made rapid strides in opening up sub-commercial deposits of certain minerals which are essential to our war effort. This may have an important bearing on Canada's position but it appears unlikely that the United States will be able to meet our demands as well as their own. This being so, it appears certain that the war metal business will broaden out still further in Canada. What shape our further action will take is impossible to predict, but many people are working on the problem and it looks now as if our metal troubles will be tackled with still greater determination.

Sample Minerals Sold by Bureau

As an aid to prospectors the Bureau of Mines at Ottawa has announced that it will sell specimens of a number of Canadian minerals and rocks at 5, 10 and 15 cents each, according to size and quality.

The bureau is also selling sets of 35 mineral and rock chips at a price of 50 cents. In big demand now are its specimens of strategic war minerals such as chromite, cinnabar, molybdenite, cassiderite, stannite, cheelite, wolframite, and so forth.

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Alloys From Metallurgist's Crucibles Are Forging the Tools of Victory

For winning a war and rebuilding a world, the United Nations have no more powerful weapon than their long list of alloy metals. Pure iron, pure copper, pure nickel or aluminum or magnesium almost never figure in the shopping lists of our shell and gun makers, our ship and plane builders.

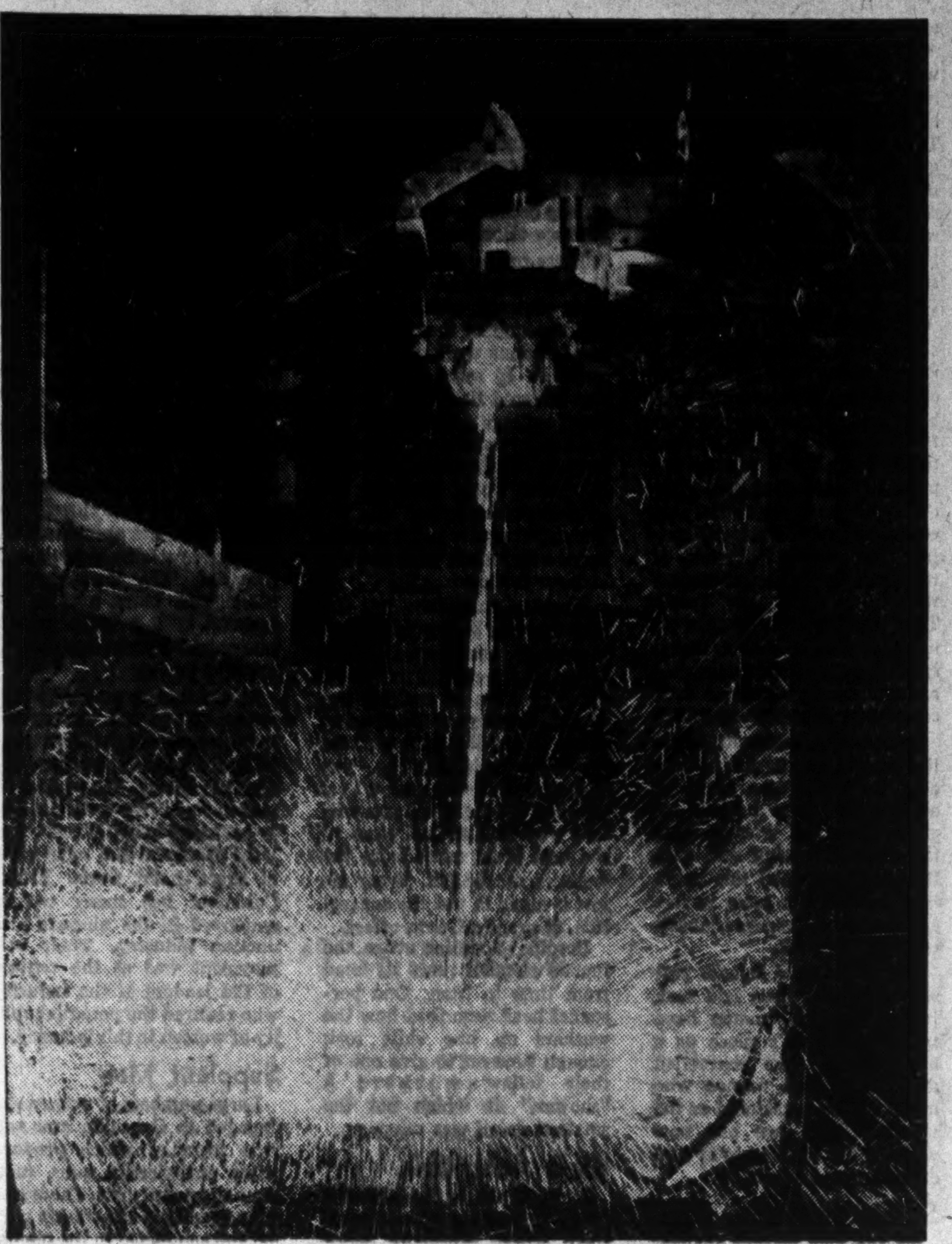
What they do use are all these basic metals, plus metals the civilian never hears of—titanium, molybdenum, berillium, tungsten, vanadium — in a variety of alloy metals, tailored to fit the specific use to which the metal will be put.

Take "steel" for example. Steel for an armor-piercing shell has to be tough to start with, made tougher still in processing. The only thing it has in common with steel for a high - explosive "fragmentation" shell is its name. The fragmentation shell must be made of brittle steel which will throw as many death-dealing splinters as far and as hard as possible.

The first type of shell would be useless in open warfare, the second would be completely ineffective against a battleship.

Alloys first made history in a big way in Roman days when tin and copper were mixed to make bronze, several times tougher than either of its components. Mastery of this alloy was a major factor in shaping history—mastery of modern alloys holds the same key position.

Modern metallurgy and knowledge of alloys began to emerge about 1850 and many thousands of alloys for special purposes have been evolved since then.



Nickel is one of our chief alloy metal blessings. Here is a heat of nickel steel at one of Canada's greatest steel plants with the slag pouring off the top. As early as 1897, it was found that nickel combined with iron gave an immensely strong alloy but it was not until half a century ago that nickel steels started to come into general use for armor plate. Nickel-steel armor plate had its first real "baptism of fire" in the war of 1914-18 and established itself then as a front-ranking war material.

All Sorts of Alloys

Research on some metals has been more fruitful than on others, but as research has proceeded, a larger number of alloy steels and other alloys have been developed which contain not one or two, but a number of other minerals. To get the best of modern metallurgy, it is necessary to have a full range of non-ferrous metals to work with. Certain metals may only be used in very minute quantities, but their lack can be accompanied by disastrous results to any industrial system.

Iron alone is alloyed with more than a dozen other metals to secure desired qualities.

The chief iron alloys are:

Iron-aluminum
Iron-carbon
Iron-carbon-molybdenum
Iron chromium
Iron-chromium-carbon
Iron-chromium-nickel
Iron-copper
Iron-manganese
Iron-manganese-carbon
Iron-molybdenum
Iron-nickel
Iron-nickel-aluminum
Iron-nickel-chromium
Iron-nickel-chromium-tungsten
Iron-nickel-cobalt
Iron-phosphorous
Iron-silicon
Iron-titanium
Iron-tungsten
Iron-vanadium
Iron-zinc

This makes a long list in itself but when it is realized that a variation of the content of the various elements combined with iron give essentially different qualities, a rough idea emerges of how many alloys there are altogether. Ferro-alloys used in the manufacture of steel give a wide variety of effects. Manganese, for instance, besides being an alloy element is practically essential in steel making as a deoxydizer or purifier. Besides being used to give extra strength, nickel alloys are famous for their resistance to heat and their wide range of uses generally.

Tungsten is used for "high speed" steels (cutting tools for lathes, etc.), and is the principal constituent of permanent magnet steel.

Aluminum is used in substantially all steel-making processes. It is admirable for quieting "wild metal" and for preventing "pin-holes" in steel castings besides being an alloying element itself.

Copper keeps steel from rusting. Steels with approximately 2.4% copper content have roughly twice the strength of those with no copper.

Molybdenum, gives even more impressive results.

Often the quality of alloying elements may be no greater than a third of 1% but in some cases up to 20% may be used.

Research in recent years has made rapid strides in giving new steel alloys with great strength but with relatively low content of alloy element. These steels have been made so that they do not need heat treatment and have undoubtedly allowed an extension of the general use of steel.

Metallurgy is still developing uses for aluminum, nickel, magnesium and other elements as alloys in their own rights. This has been a most fruitful field and with the speed-up in research resulting from the war, many new discoveries have been made. Aluminum for instance, can now be made as strong as many carbon steels. This great hardness is secured by adding a total of 5% of copper, magnesium and manganese and by using special tempering. And product is the widely used "duralumin."

Magnesium has long been used as an alloying element but only since the war has it become widely accepted as a valuable structural material itself. With production of magnesium going up by leaps and bounds both in the United States and Canada, research will undoubtedly be concentrated on this metal to a greater degree than in the past. It is a versatile metal and in its own field may find a great variety of uses.

Lead Not Always 'Base'

Even a common-place metal like lead can become of first importance when alloyed with another metal. When mixed with antimony, lead is used for the plates in storage batteries—an essential part of equipment in submarines and a large part of mechanized equipment. Red lead — another lead alloy — is also used in the manufacture of batteries.

Sometimes research can find new uses for an old metal when some serious new situation arises. An instance of this was cited recently in The Financial Post. Before the war, tooth paste and shaving cream tubes, etc., were mostly made of tin. Since Pearl Harbor, the use of tin in tooth paste tubes has been cut to a mere 5% while its use in shaving cream tubes has been reduced to 1.5%.

Silver Helpful

Use of silver as an alloy element has been largely responsible for cutting down the use of tin in these tubes. An alloy of 2¼% silver and 97½% lead is now proving almost good as the old tin product and the cost is less.

Lead has become a favorite alloying element. There has been relatively more lead available and peacetime consumers have used it when other metals could not be secured. Lead, however, has found increased war demand recently and even this metal has now been cut off from consumers.

In the case of collapsible tubes, it is thought that tin may have passed out of the picture for good. At one time lead-poisoning was feared from the use of a lead tube but any fears on this score are stated to have been overcome by the use of a wax coating inside the lead-silver tube.

One of the reasons why we are going to beat Germany in the metals war is the amount of metals research being carried on. Every time we find some new method to economize on war metals—or to make new supplies available — there is always the chance that we have stolen a march on the enemy on the production front.

To the magnesium discoveries we have made can now be added the new processes evolved by the United States Bureau of Mines for making available greater chromium supplies. A great financial appropriation announced last week for further research by the U. S. Bureau of Mines suggests that the importance of achievements along this line aren't being ignored. The U. S. Bureau of Mines has a number of other technical achievements to its credit besides chromium.

Canadian Results

Canada's own Bureau of Mines laboratory at Ottawa and the laboratories of the National Research Council have also been playing an important part. The ferro-silicon magnesium process was developed in the National Research Council laboratories at Ottawa. The method for extracting aluminum from nepheline syenite was worked out in the Bureau of Mines laboratory.

Since the war started, important extraction processes for securing tungsten from gold ores have been worked out.

Consolidated Smelters has evolved another magnesium recovery process and a method for securing tin as a by-product at its huge Trail plants.

International Nickel Co. is reported to have worked out a number of new war uses for its metals which may be useful after the war as well. Inco's engineers have also been engaged in finding substitutes for nickel for its customers and have performed an important metals saving job in this way.

With 15 to 20 metals used as bases for alloys, it is easily seen how Germany could run into a "bottleneck" in the strategic metals field. Recently the Germans were paying $22,000 a ton for tungsten concentrates in Spain—many times the price in Canada—and this may be one of the first real indications that Germany is starting to run short.

The War Minerals of Nova Scotia

ONE of the most vital necessities of a nation at war is an ample supply of "critical" minerals—those used directly for war purposes as well as those of strategic value because their normal sources of supply have been interrupted.

Nova Scotia's mineral wealth is therefore of importance at this time because of its great diversity. Most of the common industrial minerals are widely distributed throughout the province. Many of these occur at or near tidewater with adequate timber, power and labour available.

Deposits of barytes, diatomite, dolomite, limestone, gypsum, salt, building stones, brick clays, high alumina fire clays, silica, and moulding sand are being vigorously worked. Important occurrences of the minerals of arsenic, copper, graphite, iron, lead, oil shale, feldspar, talc and zinc have also been found.

GOLD: Many gold deposits are found along the coastal region from Yarmouth to Canso. With few exceptions the gold ores are free milling.

TUNGSTEN was produced at Moose River and Waverley during the war of 1914-18. Other deposits have recently been discovered at Goff, Lake Charlotte and Indian Path.

MANGANESE of high quality has been shipped intermittently since 1876. There are also many occurrences of bog manganese.

ANTIMONY ore containing gold was worked at West Gore previous to and during the first world war when a large tonnage was shipped to England.

MOLYBDENUM occurrences have been found at New Ross, Weymouth and Gabarus Bay.

TIN has been found in veins of greisen cutting the Devonian granite at New Ross. Many rare minerals such as amblygonite, beryl, bismuthinite, columbite, etc., are also found in this area.

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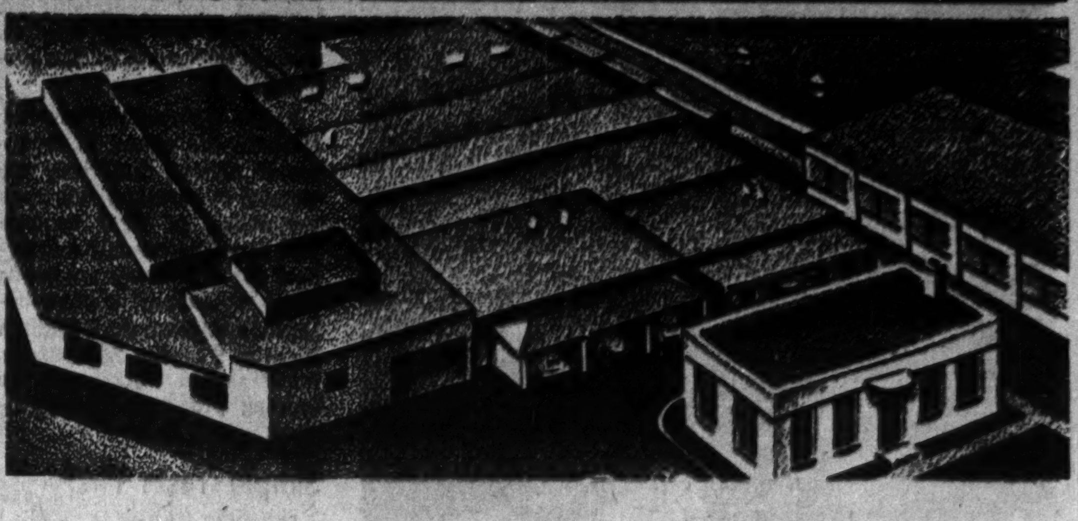

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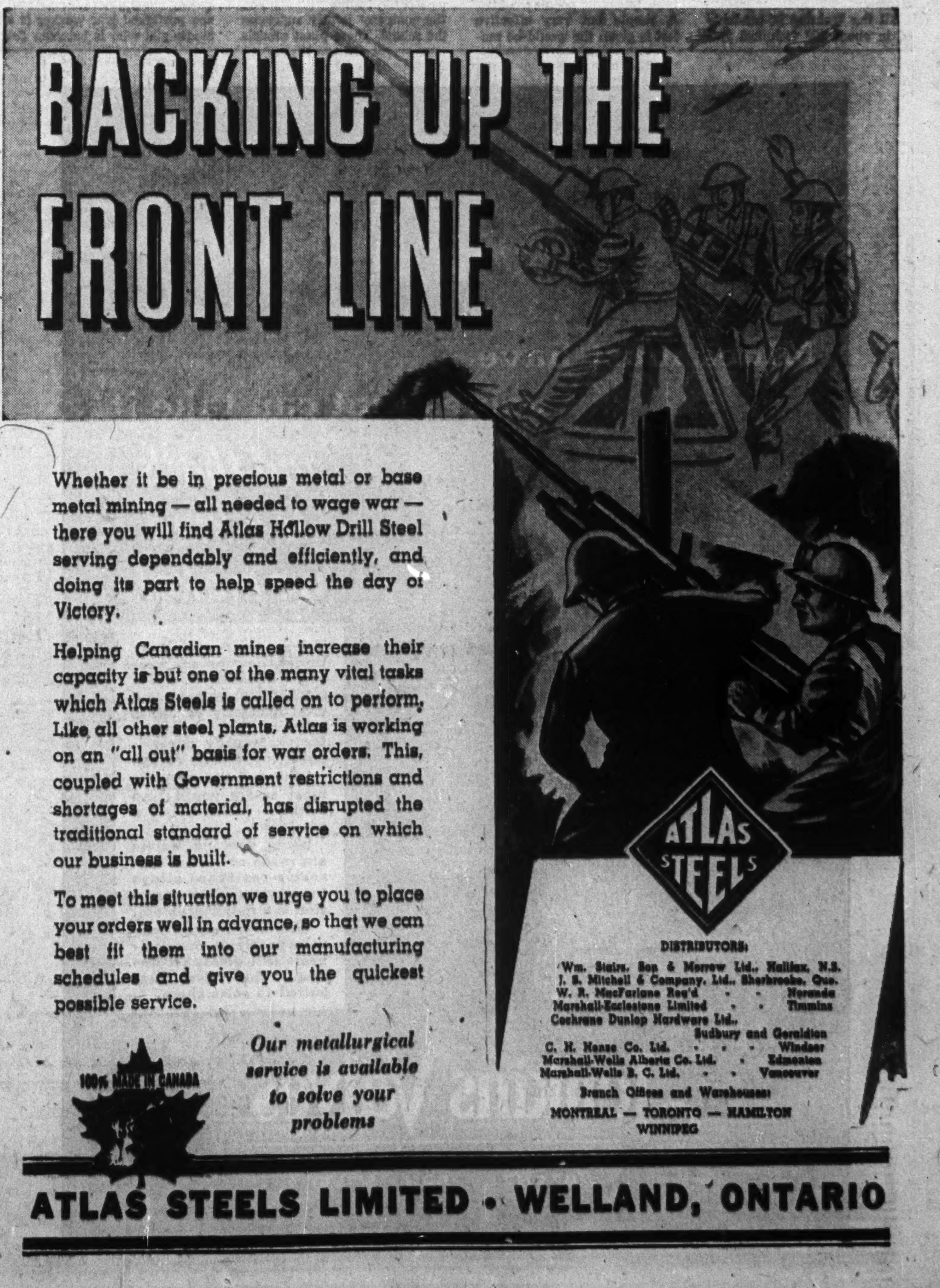

BACKING UP THE FRONT LINE

Whether it be in precious metal or base metal mining — all needed to wage war — there you will find Atlas Hollow Drill Steel serving dependably and efficiently, and doing its part to help speed the day of Victory.

Helping Canadian mines increase their capacity is but one of the many vital tasks which Atlas Steels is called on to perform. Like all other steel plants, Atlas is working on an "all out" basis for war orders. This, coupled with Government restrictions and shortages of material, has disrupted the traditional standard of service on which our business is built.

To meet this situation we urge you to place your orders well in advance, so that we can best fit them into our manufacturing schedules and give you the quickest possible service.

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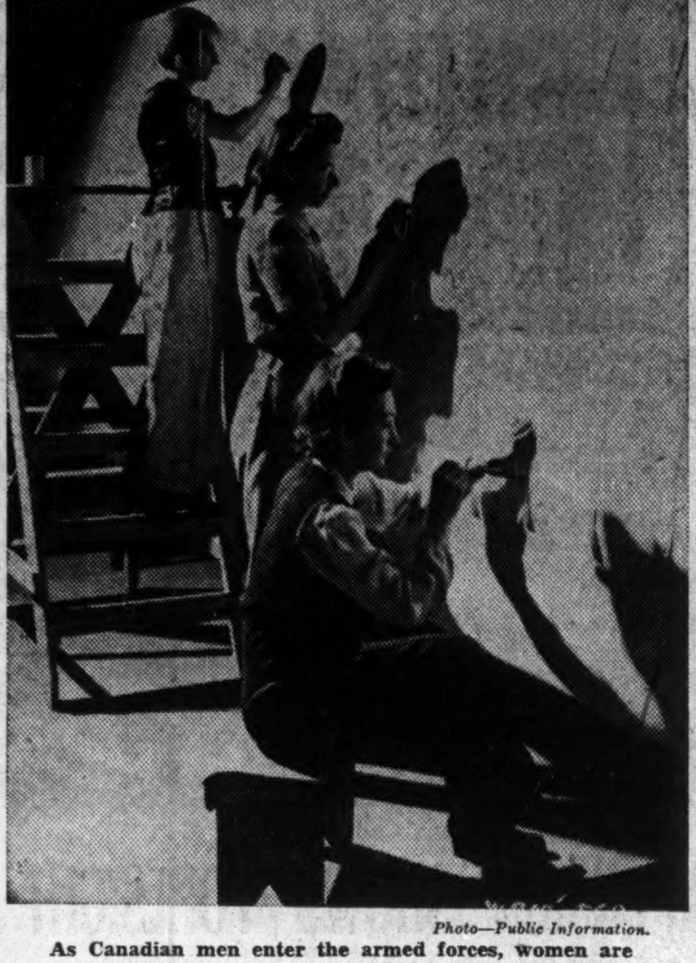

Photo—Public Information.

As Canadian men enter the armed forces, women are taking their places, prove adaptable, quick-fingered and patient in routine work. A peaceful revolution has taken place in Canadian industry to accommodate its new front line workers with proper housing, recreation and child care facilities. Here are girls sewing fabric on wings of Noorduyn training planes. Twelve-inch needles are passed through the fabrics to girls working on the other face of the wing

By WINIFRED FLANAGAN

Across Canada there stretches a network of vital war industries in which Canadian women daily are playing an increasingly important part. An estimated 135,000 women are now working in munitions plants and some 65,000 more are expected within the year.

To maintain maximum production of munitions has meant training thousands of women. As organization is the basis of success for such a wide-spread programme, the Dominion-Provincial War Emergency Training Plan was set up in 1941. By this plan women are provided with technical knowledge which fits them for work in the war plants.

The industrial set-up of the W.E.T.P. is fourfold, embracing pre-employment schools, training in plant schools, foremanship training and part-time classes.

All the training is conducted in about 100 technical and vocational schools throughout the Dominion. Ontario, with more than 30 schools, supplies over half the women for Canada's war industries. Since the start of the programme about 8,000 women have been graduated from these schools.

Radios to Hemstitching

In the pre-employment school, courses are conducted in machine operation, drafting, radio assembly and a recently initiated course in power sewing machine operation. If the trainee has had previous experience she is naturally given her preference. The non-skilled workers are given an intelligence test equivalent to high school entrance standing. In some of the more specialized courses such as chemistry and drafting a higher standing is required.

So far, the machine shop has been the most popular course. A simple but very effective test is given the would-be machinist — placing screws in small drilled holes of various sizes in a long steel bar. Personnel authorities say that it is amazing how accurately this test sums up the trainee's chances of success in the machine shop.

In the training period some students are placed in "sponsored" classes, (i.e.) they are claimed by certain plants upon completion of their courses. This is not necessarily a drawback to students who are not in these "sponsored" classes, because throughout the Dominion there is a crying need for as many skilled workers as the training programme can produce.

Simple Tasks First

Once the trainee is enrolled in the course best suited to her natural talents, she is shown the rudiments of her craft. The machine shop girl is given simple tasks to do at first, until she gradually works up to the more difficult types of work, such as the operation of the cutting machine. The training period lasts from two to six weeks depending upon the individual's ability and incentive. The record of failures in these courses is comparatively small. The courses are free and throughout the training period the trainees are given an adequate subsistence allowance. When they are placed in factories, transportation costs are paid by the government.

The pre-employment classes are very important in that they allow the trainee to bring to the factory a familiarity with factory conduct, a thorough knowledge of her task and most important, a keen sense of responsibility toward her work.

Plant Training Leads

Most industrial recruits, however, are trained in plants rather than emergency training schools. The W.E.T.P., under the Labor Department, helps to organize, supervise and finance these plant schools and throughout the training period the training branch and the company jointly supervise the school. These plant schools are organized to give "the essential amount of technical knowledge and practical skill for a specialized occupation in the shortest possible time." Women instructors and inspectors, sponsored by the training branch of the Department of Labor, are placed in each plant school.

The plant trainees are also paid an allowance by the company, differing according to previous experience and marital status. As an added precaution against the trainee being drawn to other factories by promise of higher salary, the rate of wages has been set in the training schools throughout the country.

Plant classes are conducted in some cases during production hours, others in off-shift periods when the machinery is at the disposal of the schools. To date, schools are in operation in Ontario, Saskatchewan, Alberta and British Columbia, but in the eastern provinces, technical and vocational schools are fewer in numbers and many women come to Ontario to take their training courses.

Part-time Courses

Part-time courses are devoted to those who wish specified training. These courses generally cover a longer period and include instruction in mathematics, blue-print reading, motor mechanics, clerking and inspection work. There are also short courses in foremanship training but as yet there has not been much call for this type of work.

It is found that ages of trainees vary from 18 to 45 years. They include almost every type of Canadian womanhood and they come from every walk of life. Each day they don the slacks and bandanna of the war worker and go out to work on jobs that require constant vigilance and inspection. In many of the jobs the employee has to stand for the greater part of the time. Some factories want small girls for certain jobs, other prefer taller girls, but there is agreement among many plant officials that the preferred war worker is a single girl who is between the ages of 24 and 30 years.

Women comprise 20% of the war workers in Canada. They are doing everything but the heaviest kind of manual work. They can be found working in gun assembly and shell filling plants, inspecting gun parts, making shells, small arms and small arms ammunitions, cartridge cases, and fire control instruments.

Workers 80% Women

In one explosive-filling plant near Toronto over 80% of the employees are women and over half these women are married. Plant records show that within ten months 12,000 women applied for jobs in the plant, without any advertising on the part of the company. Plant officials feel that this is indicative of the attitude of most Canadian women towards war work. They feel that the women do not regard their work as merely a job with a good salary, but are anxious to volunteer their services in Canada's war effort.

Extreme precaution has made the work almost as safe as window washing. The habit of abiding by safety rules is instilled into the women from the very beginning and once they have assumed this habit, they straightway seem to forget about the dangers connected with the work.

The director of female personnel in this plant said that, in her opinion, women have taken over man's place as a breadwinner. She marvelled at the fact that women who might not be considered as the working type, are out now working for their country and doing a grand job of it.

Safety First

To the war worker realization comes early that obedience to rule is one of the first laws of safety. These rules begin when the war worker dons her working clothes. Girls in explosive plants are forbidden to wear silk clothing because silk generates static electricity. Almost every factory in which explosives are used requires their employees to wear rubber or felt footwear because leather coming in contact with powder on the floor might cause an explosion. The girl's hair must be completely covered by her bandanna because of the danger of escaping curls being caught up in the whirl of the machines. They are not allowed to comb their hair, polish their nails or shine their glasses because all these actions produce electricity.

These precautionary measures form a part of all government contracts which contain a clause requiring that the health of munitions workers be safeguarded. In some plants rubber- covered floors and soundproof ceilings are provided for the comfort of the women during working hours. The working hours would seem, to the outsider, to be rather long but there are regular relief periods twice every shift with at least an hour for lunch.

Working conditions are the best that can be provided. Employees are encouraged to take an active interest in their own industry, such as making use of the Employees' Suggestion plans where the war workers can voice their opinions. The suggestions are carefully weighed by the plant committees who realize that some of the best ideas come from the workers, on the job. Every effort is made to put the suggestion, if practical, into effect.

Despite masculine attire, the female element rears its head from time to time. One personnel head described how the workers on one shift took enough time off to give one of their fellow-workers a "shower," at which not the smallest detail was missing.

Girls Adaptable

In most plants the girls are found to be very adaptable to their work, especially work that requires precision, work that entails montony. They have more patience than men and very frequently are found to be doing a better job than the men they are replacing.

Some industries have such a large number of employees that they found it practical to set up a "war town" where their workers might live. In one of the largest shell-filling plants in the world, there is a thriving town comprised completely of war workers. Of these 3,500 are women. They live in residences immaculately kept and supervised by competent authorities.

Two girls share a room, and their life in war town is a very happy one. Meals are taken at the women's cafeteria. A recreational programme, planned each week, includes moving pictures twice a week, popular and square dances, sing songs and band concerts, vaudeville shows and local talent nights. Facilities for all types of sports are provided, including badminton, tennis, bowling and baseball. Ambitious workers, in co-operation with the male employees publish a plant newspaper twice a month, in which every employee can voice his or her opinion freely. On Sundays chapel service is provided. The town is complete with bank, post office, hospital with a large staff of nurses and doctors, even a hairdressing parlor.

In one factory employing between 350 to 400 women the greater percentage are employed in the fabric shops covering airplane wings. They show up best in repetitive work but also are engaged in drill press work, lathe operation and some types of sheet metal work. British Columbia has many women employed in the aircraft production industry. Their employment was at the request of the leaders of the industry who realized the potential ability of women in this industry.

Supplant Men

Large numbers of women are engaged in Canadian gun and rifle factories which produce rifles, anti-aircraft guns, tank guns and naval guns. The training, covering a ten-week's period and conducted in the plants, was begun in 1940 and today approximately two thirds of the employees engaged in rifle manufacture are women, two fifths of those on machine guns and a fourth of those on anti-aircraft guns.

The work of these women has been so successful that management plans include an increase in the numbers of women to be employed as well as extension of their duties to additional types of work.

The minimum age limit for female workers in gun and rifle factories is 18 years and unmarried women or married women without children only are accepted. Many employees in these plants are high school graduates, although this standing is required only in the anti-aircraft gun plants.

On a production-line basis, women are now working on machining the barrel on an anti-aircraft gun, a job formerly done by men only. Women are most numerous in the breech-mechanism department where they must learn how to set up their own machines according to blueprints and to gauge their own work.

According to the plant's statistics, out of a total of 750 operators on 19 machines, 26% are women.

Women With Rifles

In rifle production two thirds of the workers are women. After their training period they are assigned production jobs under foremen. Beginning with simple machine operations, they gradually advance to more intricate work on the machines.

Ninety per cent of the rifle receiver workers are women. Their job is to put the work into the machine, tighten it, turn on the coolant and set the machine in operation. Girls do some of the final factory testing. They are also found in the wood shop, assembly department and tool room.

The work of Canadian women engaged in gun and rifle production recently attracted the attention of the Women's Bureau of the United States Department of Labor, and a study was made of the work these women are performing. The information gathered was later compiled and published and is currently being used for propaganda purposes to procure women for service in American war industries.

Among the problems that plant officials have to deal with, the most recurrent is that of absenteeism among the women. This appears especially true of married women, the reason why some plants employ

(Continued on page 23, col. 3)

Mines must have valves that can take it!

and that's the kind we make!

Fig. 421—All Iron Non-Rising Spindle Gate Valve Screwed. Also with Flanges and outside Screw and Yoke Rising Spindle.

Fig. 591 All-Iron Swing Check Valve

Fig. 499 Bronze Rock Drill Valve

Fig. 40 — All-Iron Clip Gate Valve. Screwed or Flanged Ends.

Fig. 516—Bronze Cushioned Check Valve

Valves that stand up under the constant wear and tear of shock, corrosion and abrasives are a vital necessity to mines—hence the preference for the sturdy dependability of Jenkins Valves.

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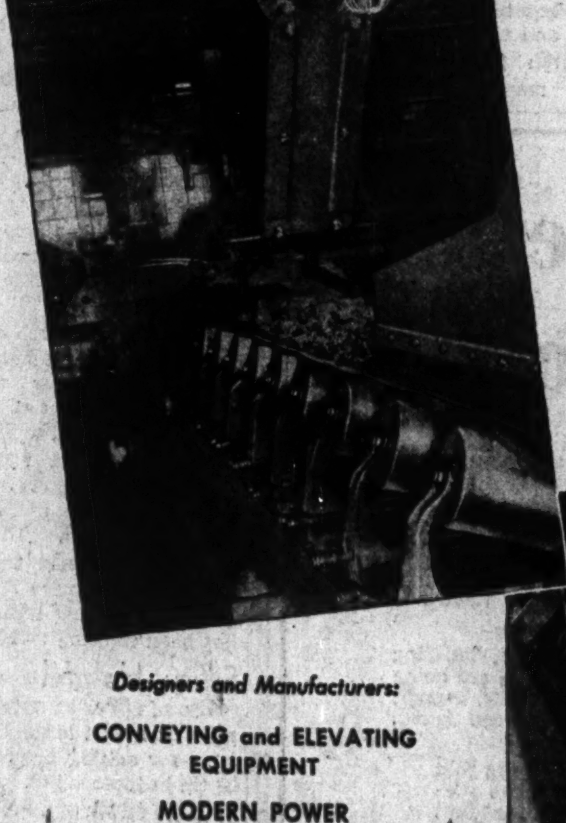

At left: Belt-feeder from ore bin to crusher with variable speed ratchet drive. Close-spaced DODGE-Timken Conveyor rolls are used for this heavy-duty service.

Below: Typical DODGE Belt Conveyor installation handling gold ore at a well-known Canadian producer. The 5-inch diameter DODGE-Timken, three-roll troughing and return idlers are of solid, one-piece cast-iron construction.

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Canada's Machinery Producers Multiply Earnings and Taxes

By J. R. WILSON

To arm and equip an army using 30% more mechanical weapons than were used in the last war, Canada's machinery industry has in turn doubled, tripled, quadrupled its production.

As a result of capacity operations, gross earnings have soared. Net profits, however, have been held down to a moderate increase, mainly through taxes.

Take the seven larger industrial machinery companies in which there is public interest, John Bertram & Sons, Canada Foundries & Forgings, Canada Iron Foundries, Canada Machinery Corp., Canadian Locomotive, Dominion Engineering, and United Steel Corp.

Comparison of the combined net earnings before depreciation and taxes of these seven companies shows a record as follows:

Net Earnings

	$
1941	9,409,000
1940	4,724,000
1939	880,000

In other words, net earnings for 1941 were 99% higher than 1940 and more than 1,000% greater than in 1939, increases which were common to all the companies concerned.

Taxes have kept in step with the tremendously expanded profits, and may be tabulated thus:

Taxes

	$
1941	4,389,000
1940	1,904,000
1939	150,000

This represents a gain in taxes in 1941 of 130% over 1940, and nearly 3,000% over 1939. Looked at from another angle, 1941 net earnings were $4.7 millions higher than 1940, while taxes increased by $2.5 millions. But the increase in 1941 earnings over 1939 was $8.5 millions, of which $4.3 millions, or approximately half of the increase, was taken up by taxes.

Despite this heavy tax load, net profits available for dividends have shown a moderate gain:

Net Profits

	$
1941	$2,149,000
1940	1,677,000
1939	457,000

This shows net profits of the seven companies for 1941 to have been 30% better than 1940, and more than 400% those of 1939. All the companies recorded increased net profits in 1940, as compared with 1939, but two of the seven declined slightly in 1941 from the 1940 showing.

None of the seven companies under review, was making payments on common stocks prior to the war. Of the five firms which have preferred stock outstanding, only three, United Steel Corp., Canada Iron Foundries and Canada Foundries & Forgings, were disbursing on the preferred, and only the first named was paying at the full rate. Since the outset of the war, one company, Canada Machinery Corp., has commenced dividends on both its preferred and common, and three others have started common payments. The combined amounts of preferred and common dividends paid in each year follow:

Dividend Payments

	$
1941	467,000
1940	455,000
1939	343,000

The table shows that shareholders received in dividends just 2½% more in 1941 than in 1940, and 36% more in 1941 than in 1939, compared with a rise in operating earnings of over 1,000% in the longer period.

As protection against shortages of materials and reflecting larger scale of operations, the companies added to their inventories. The 1941 figure shows an increase of 55% over 1940, and 77% over 1939:

Inventories

	$
1941	11,110,000
1940	7,172,000
1939	6,287,000

Each of the seven companies without exception showed higher inventories in 1940, compared with 1939. In 1941, Dominion Engineering was the only one to show a decline, and that was negligible.

Financing these inventory increases finds reflection in the balance sheets of most of the companies in larger bank advances. Nevertheless, current assets have also gained sufficiently to more than offset the added liabilities, and consequently working capital in 1941 registered a gain of 45% over 1940, and 69% more than 1939, as follows:

Working Capital

	$
1941	8,582,000
1940	5,914,000
1939	5,072,000

The effect that the new taxes announced in the recent budget will have upon the machinery industry has not yet been established. The companies in nearly every case have expanded or modernized their plants, some with the aid of the government, and are in a position to take advantage of any new business that may develop. Most of them, moreover, were depressed during the 1936-39 period which is taken as the standard and have been granted special allowances to offset this factor.

Indicating something of what the future may bring for this group of companies are statements made by company officials in connection with 1941 annual reports. John Bertram annual report, for example, stated that volume of business in 1941 was the largest in the company's history and orders carried into 1942 would assure capacity operations for this year. Much of the 1941 business, however, would not repeat.

Canada Machinery Corp.'s annual report pointed out that unfilled orders at the start of this year were about equal to those of a year earlier. It was expected, however, that demand for machine tools would decline as many of the new war plants under construction were almost completed.

Conclusion from this is that these companies have probably seen the peak of their wartime operations but so long as the war lasts they can be assured of high rate of production. While further gains over last year seem unlikely, there is no reason to fear an immediate slump. Important is the fact that most companies are capable of a rapid shift to other metal work.

Machinery business in Canada, however, has a record of severe fluctuations in response to changes in the general business cycle. The industry has undoubtedly become better established as a result of wartime business than at any previous time in its history but whether or not it will be able to overcome this tendency to suffer from extremes of prosperity and famine remains to be seen.

Financial Record of Machinery Companies

	Earnings per Share						Dividends Paid					
	1941		1940		1939		1941		1940		1939	
	Pref.	Com.	Pref.	Com.	Pref.	Com.	Pref.	Com.	Pref.	Com.	Pref.	Com.
	$	$	$	$	$	$	$	$	$	$	$	$
John Bertram	71.28	6.19	24.31	1.96	...	0.70	nil	0.15	nil	nil	...	nil
Canada Foundries	2.50	5.46	1.94	2.25	1.94	3.25	1.50	1.50	1.50	1.50	nil	nil
Canada Iron Foundries	12.67	16.19	13.27	17.87	9.47	8.41	6.00	6.00	6.00	6.00	6.00	3.00
Canada Machinery*	6,222.17	7.50	792.52	3.64	10.35	2.10	7.00	1.00	3.50	nil	nil	nil
Canadian Locomotive	....	3.90	...	0.71	...	‡3.71	...	nil	...	nil	...	nil
Dominion Engineering	....	2.32	...	1.68	...	‡1.02	...	nil	...	nil	...	nil
United Steel Corp.	21.90	0.99	25.28	1.15	8.04	0.17	1.50	nil	1.50	nil	1.50	nil

*Fiscal years ended Jan. 31, 1942, 1941 and 1940; preferred shares being redeemed and only 29 shares remained outstanding at Jan. 31, 1942. ‡Deficit.

Main Manpower Reserve: Women in Industry

(Continued from page 22)

only single girls. Some of the former have adopted an independent attitude towards their work, chiefly because they have another job to fall back on.

Until a few days ago, the problem was aggravated by the heavy taxes imposed on married working couples in the new budget. Revision of the tax set-up would appear to have solved the problem, at least in part.

For the rest, propaganda is the main weapon in cutting down absenteeism. The slogan "An absentee is a deserter," is stated to be winning results in this important morale front.

Work by shifts is bound to create certain problems. Women employees working on a night shift find that they are getting less sleep because of the noises and distractions during the day. They find that it is difficult to get their shopping done in hours when most stores are closed.

One of the chief problems connected with war work is the care of the employees' children. It has been estimated that for every woman in Canada there is one child under sixteen years of age. Up till a few months ago the female employees were making the best of this problem either by sending their children to live with relatives or taking turns among themselves watching over a number of children when they are off duty.

The Dominion Government, in co-operation with the provincial has partially solved this problem by proposing a system of nurseries. These nurseries or creches do not yet meet the shift problem accurately because their operating hours do not correspond with shift hours. For example, a creche operating from 8 a.m. to 6 p.m. cannot look after the children of women who work on the night shift. As one plant official put it, "To be a success, nurseries and creches have to be a 24-hour business." Speaking in England recently, Ernest Bevin, English cabinet minister, stated that nursery schools were an essential part of the war effort.

Nurseries have been in operation in England for some time. At first there was hesitancy among the mothers to leave their children at these creches, but when they saw the attractive conditions and the care exercised over their children, they hesitated no longer. So in Canada, the first necessity is to make these creches as attractive and complete as possible. They should be situated, not near the war plants, because this would tax an already overburdened transportation problem, but as near as possible to their homes in towns and cities, and placed according to districts. This would provide a minimum of upset in the child's routine.

As a plant official pointed out, even before the war, creches had long waiting lists which they couldn't fill, so that now, with this extra burden, it is almost impossible to cope with the situation. There is room for improvement in this line.

Most serious problem of all is meeting the demand for women war workers. An official of the Training Plan pointed out that 5,000 workers would be needed in the next few months in one production centre alone.

Some companies have their own scouting system, combing Canada for girls. The supply in central Canada and in the west is running low, but workers are still coming from the Maritimes. Every week an Ontario firm sends a representative there and brings back an average of from 50 to 60 girls.

When, in outlining the national selective service programme this year, the Prime Minister termed Canadian women "Canada's most available source of man power" he gave them their wartime status. The idea is taking hold.

Gather That Scrap To Beat Hitler

"Your most important job right now is the collection of non-ferrous metals."

This statement was made by Canada's Director of Public Information. He pointed out that the North American continent is running so short of raw materials that hundreds of Canadian manufacturers may be unable to obtain enough to keep them going.

The Director of Information referred to the fact that in mining areas of the north, obsolete mining equipment which contains metal is being broken down and disposed of either by contributing it to the local salvage committee or selling it direct to the dealer.

In the Prairie Provinces grain elevators are acting as agents for the collection of scrap iron and steel. It is important for industry itself to see that scrap gets back into the proper channels because procurement is helped by the return of all scrap.

For the benefit . . . —
of all PROSPECTORS

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Chapter 198—R.S.P.Q. 1941

This legislation, passed by the Quebec Legislature at its 1941 session, provides for the formation of partnerships or syndicates with a capital of $10,000 divided into 1,000 shares of $10 each.

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Split-Second Repairs Are Ordnance Job

By ROBERT SHAW-WOOD

Every method that will speed up the job is a normal part of the practice in Army Field Workshops, field repair units of the Royal Canadian Ordnance Corps devised to keep the Army's rolling stock effectively in action. On this repair job, overhaul of a motor, three men are at work, the more quickly to get the work done and speed the machine back into service. The Corps wants expert mechanics to man these shops. The jobs are of vital importance, demand skill and resourcefulness.

—Canadian Army photo.

If—one day when this war is won—you pull in for repairs at the best garage in some small town, the chances are you'll hear a story. It will be told by the mechanic who, with amazing rapidity, fixes your car, and it will be about the time when—in a Light Aid Detachment or an Army Field Workshop—he followed his trade under fire.

One of the highlights may be that he worked with a wrecking bar in one hand and a tommy gun in the other.

Or he may tell you that he frequently stepped on a starter and moved his entire garage, equipment, supplies, and all, 50 miles forward to catch up with a battle or 50 miles backward to dodge one.

Maybe, if you haven't been there yourself, you'll think he's exaggerating. Don't! Stories with such highlights will be true by the thousand after this war. Many of the most authoritative story-tellers will be mechanics in the best garages in Canada's small towns.

Paging the Experts

Though there's a congenial spot in the Royal Canadian Ordnance for every man who is fit and mechanically inclined, whether he is experienced or inexperienced, these men—the mechanics from the good small-town garages and their brothers of the spanner in the medium-sized big-town garages—are particularly sought. The Corps has a variety of jobs for them, vital jobs. It wants them for repair units that will go to war.

These L.A.D.'s and Army Field Workshops are one of the results of hard lessons in Libya. Rommel, excelling in recovery, sent salvage trucks with repair crews into battlefields at night; they repaired motorized or armored equipment — Axis or British—on the spot, or took it back to repair shops in blacked-out tents; and soon used it again. Daring and effective, this procedure gave Rommel an advantage.

Devised to outweigh such Axis efficiency, Canada's L.A.D.'s and Army Field Workshops will be manned—so far as possible — by men whose life's work has been to keep the nation on its wheels. Experienced men, intensively trained, they'll work apace with the urgency of the blitz.

Their job—to recover, to repair, with the utmost speed, machines, arms, instruments, that break down or get damaged in battle.

Target No. 1

Their job, also—to defend themselves and their equipment. Realizing that stalled, immobilized equipment is just about as ineffective as if it had never been supplied in the first place, the Germans rate United Nations field repair crews as prime targets—have set up special units to hunt them. To counter this, Ordnance men are trained not only to repair but also to give battle.

In an infantry (i.e., motorized) division in Canada's modern army there are 17,000 men. Of these, 24.1% are maintenance and repair men, —that is, 4,100. There are almost as many motor vehicles —3,500 of them. The variety of motor vehicles is great; there are 160 different kinds. That's just the rolling power, however. In addition, such a division packs a terrible weight of arms and instruments—field guns, machine guns, automatic rifles, mortars, anti-tank rifles, anti-tank and anti-aircraft guns, searchlight batteries and other instruments.

Even in preparatory training, such a weight of machinery would give 4,100 men considerable to do.

Rough Riders

In battle, every man of the 24.1% will have his job cut out for him. Merely getting into battle, rushing up over rough ground—for the army doesn't stick to roads—results in a great deal of damage. And in the actual fray, damages mount quickly, so quickly that without the L.A.D.'s and Field Workshops, the Delilah of mechanical failure that rides on every car, truck, and tank, would soon shear the army of its strength.

A tank, for instance, is said to need repairs (on an average) after three hours of action. Such repairs may be minor or major. Often, minor damages will put a tank out of action until a repair crew has repaired them. Wear and tear on wheeled vehicles is correspondingly severe.

Most, though not all of the 4,100 maintenance men per division will be in the L.A.D.'s and Workshops.

It will largely depend upon them whether the most of Democracy's vast output of arms and war wagons will be effective most of the time, whether the nation's fighting men will be able to bank on having their destructive force ready when wanted to hurl against the enemy.

Charged with supplying and maintaining the Army's capital goods (except for the repair of Army Service Corps vehicles, which the C.A.S.C. itself looks after), the Ordnance Corps presses to equip as many field repair units as it can and find fast-working, all-round—the emphasis is on fast-working and all-round — mechanics to man them. The more experienced, the more versatile a mechanic is, the better a man he'll be to lick the multiplicity of maintenance jobs a modern battle creates.

Versatility First

Moderate-sized, good garages, Corps officers assert, develop such mechanics, men skilled in diagnosing trouble in any kind of truck or car, and able to correct it. The Corps wants as many of them as it can get.

Ordnance Corps field repair units, because of the variety of functions they must perform, are not too readily classifiable.

In general, however, there are three kinds:

First, there's the Light Aid Detachment, This L.A.D. is manned by a crew of repair men, and is generally attached to a unit in an advanced position. It is equipped to effect light repairs. It is mobile; can move about and move fast. Its chief job is the recovery of damaged vehicles, arms, instruments.

Larger mobile workshops are of two types: divisional and non-divisional—that is, attached to a division—infantry or armored—or not so attached. They tackle heavier repair jobs.

Certain other field workshops are not mobile. These are divisional and non-divisional, also.

The character of these L.A.D.'s and Field Workshops varies—often, widely—because the variety of repair jobs that must be performed is great, and each repair unit specializes in the work peculiar to the unit or division to which it is attached. One, for instance, may specialize in repairing tanks; another in anti-aircraft arms; another will concentrate on wheeled vehicles; another on artillery repairs; and so on.

Not long ago two mobile units in training in Canada demonstrated the speed with which they work.

L.A.D.—First Aid

Overturned in a ditch, a heavy army lorry was first of all inspected by an L.A.D. officer who rushed up in a reconnaissance car. In battle, the object of this inspection would be to determine whether the damaged lorry could be retrieved and repaired, or whether it should be destroyed to prevent the enemy from getting it. Such an inspection would also result in fixing where the lorry should be repaired, whether on the spot or farther back by the L.A.D. detachment itself, whether in a Divisional Workshop, or back at Base Ordnance, where anything the army runs, shoots, detects with, or measures by, can be repaired or completely rebuilt.

The L.A.D. officer, usually a mechanical engineer, would, upon concluding the lorry was recoverable, designate the place of repair by estimating how long the repairs would take. If up to, say, four hours, the L.A.D. itself would make them; if up to, say, twelve hours, a Divisional Workshop and if longer, back to Base the lorry would go.

In the demonstration, the lorry was judged to be recoverable. The officer signalled back for a salvage truck. Mounting a power winch and crane, the truck tore through a field and up to the spot, hitched onto the lorry, righted it, took it in tow and was quickly off with it to the shop. Inspection, recovery and all, took less than half an hour.

If the lorry had been a tank, a special tank-carrying lorry with a hinged ramp would have been used to right it and been judged recoverable, carry it to the repair shop.

If either a tank or lorry had been judged unrecoverable, a demolition squad (theoretically) would have put it out of commission for good.

At any time—in peace or war—retrieving a wreck that is upside down in a ditch requires nice judgment. It's an agreeable test of skill for a repair man who prides himself on his work. It's quite possible to attach the cable from the winch on the wrecker car to a wrong place on the car-wreck; quite possible, too, in the subsequent pulling to pull in a slightly wrong direction. Misjudgment in either case may cause further damage.

Your practical, all-round garageman, given such a job, will, nine times out of ten, score perfect. What is more, he will burn with the fire of an artist to do another such job, just as good a one or better.

That's one reason why the Ordnance Corps, which is one of the oldest branches of the Army, wants all-round mechanics. In a theatre of operations—in battle — recovery of warcarts will be on a wholesale basis.

Speed counts. In these days of "fluid" battlefronts, battlefronts whose crushing floods surge and swirl over wide areas from hour to hour, what is a safe spot one moment may be a danger spot the next, and what was a recoverable vehicle or tank may have to be blown up.

Men already adept are, naturally, best able to do fast work—good work. So badly are they needed for the army's field repairs that many a higher-up in Ordnance declares almost any means would be justified if every skilled auto mechanic in Canada could thereby be recruited.

Army Field Workshops proceed at just as fast a clip as the L.A.D.'s.

Unless one sees it done, it stretches the imagination to visualize the setting up of a first-class service garage in 20 minutes.

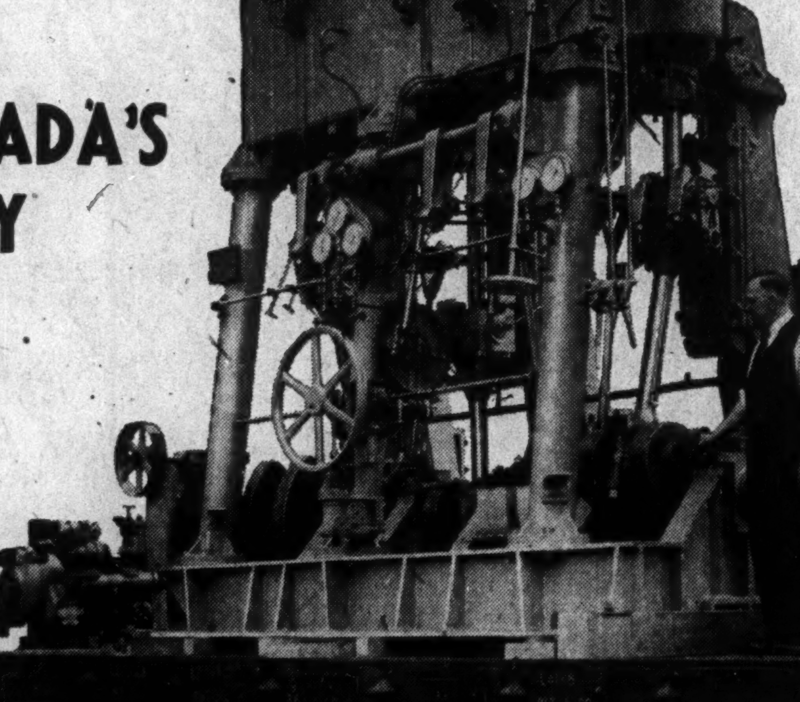
That was the brief space the Mobile Field Workshop demon-

(Continued on page 25)

Machines Have Parents, too!!

"Pattern" and "Matrix", as the words themselves suggest, are the Father and Mother of each of the thousands of castings now being made in Canada . . . and any deficiency in either parent will be reproduced in the offspring, perhaps ten thousand-fold! Naturally, pattern makers demand a material which can be carved easily into intricate forms, and which once fashioned will retain its exact shape; so, like all who need a workable, low-shrinkage domestic material, they are turning in ever increasing numbers to use Canadian White Pine.

WHITE PINE BUREAU
VICTORIA BUILDING OTTAWA



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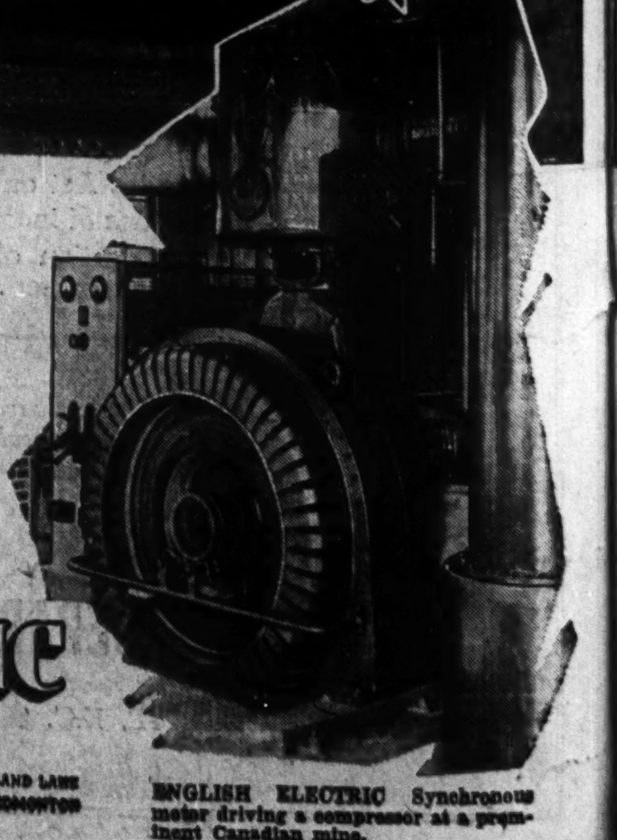
ENGLISH ELECTRIC
SERVING CANADA'S MINES

A group of ENGLISH ELECTRIC Power Transformers at Falconbridge Nickel Mines Limited.

THE Canadian mining and metallurgical industry is an essential factor in the national economy . . . and the task of safeguarding production schedules through dependable electrical equipment is an important contribution to Canada's war effort in which "ENGLISH ELECTRIC" is privileged to have a part. Detailed information on specific electrical apparatus will be sent gladly upon request.



ENGLISH ELECTRIC Synchronous motor driving a compressor at a prominent Canadian mine.

ENGLISH ELECTRIC
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Represented by: RAILWAY & POWER ENGINEERING CORP., LIMITED, WINNIPEG • GORMANS LIMITED, EDMONTON
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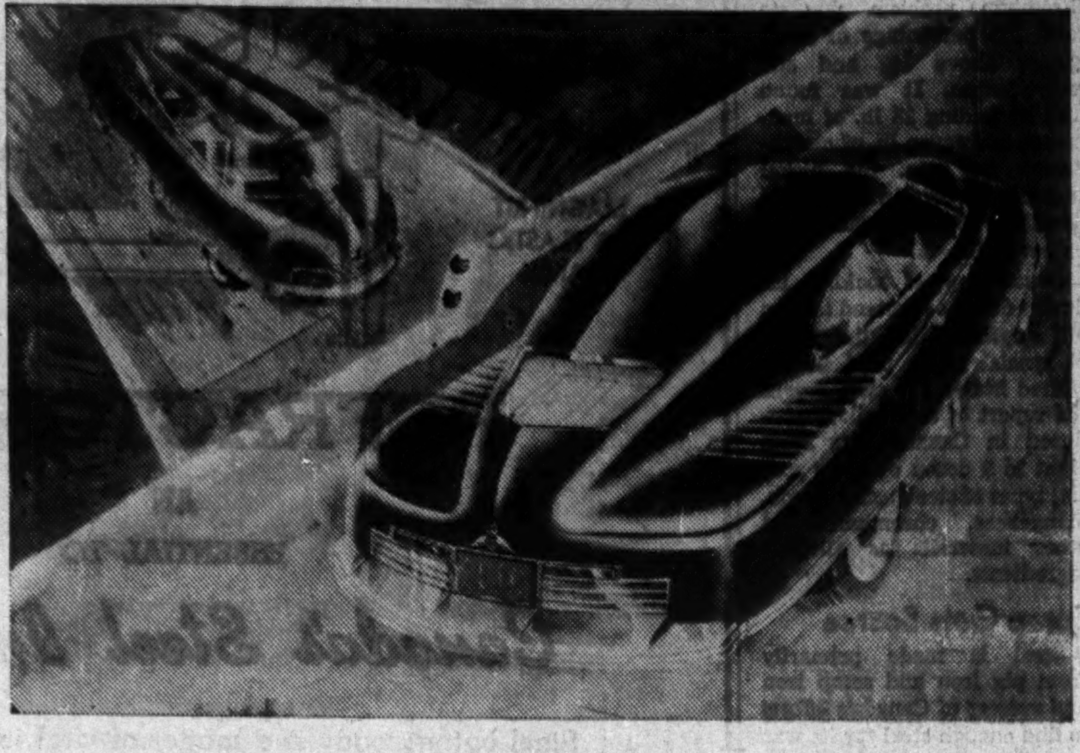
Light Metals of War Point to New World at Peace

On the anvil of war, under e hammer blows of immedi- e need there is being pound- out an outline of the shape things to come. War pro- ction requirements are cing a revolution in the ht metals field; the place these miracle metals in a xy world of tomorrow is ing brought into sharper cus by their use today.

Lightest of the commercial etals yet known, aluminum d magnesium are being pro- uced in constantly increasing antities both here and in the nited States. When the days f peace return that new peak roduction capacity will mean ore airplanes, cheaper cars, etter radios, more efficient ashing machines and vacuum leaners, a general boost in ur standard of living.

Raw material supply for oth aluminum and magnesi- um are abundant, production is imited only by our electric ower resources. Experts say hat the mass production of hese metals, now just really etting under way, will mean further price reductions. That cheapness will allow their greater use in the ordinary things of peaceful life.



Cars like this are likely to be an outgrowth of the revolution in metals taking place behind the soaring figures of war production.

Metallurgists, who feared exhaustion of our deposits of non-ferrous metals, now see in aluminum and magnesium two bright stars on the metals horizon, pointing the path away from shortage.

What aluminum and magnesium can do is typified by the transport industry. Cheap aluminum and magnesium, plus mass production, may bring airplanes within the purse of the common man. Streamlined trains of unexcelled speed and comfort are another thing these metals may give us. New light cars—with low fuel consumption—are a further real possibility.

But after the war transport will not be alone in seeking these metals. Other industries will be competing for their use.

But by far the most significant feature of the two metals is that their raw materials are almost as common as dirt, their production virtually unlimited. Herewith The Financial Post shows in tabular form some of the leading characteristics of these giants of the future.

Raw Materials for Both are Abundant

Aluminum

Comes from bauxite, shipped up from British Guiana; four pounds of bauxite ore used for every pound of aluminum turned out. While 8% of earth's crust aluminum, bauxite is the only ore so far used commercially. Canadians have devised alternative commercial process for production from nepheline syenite of which extensive deposits exist in this country. Potash and soda would be by-products.

CRYOLITE

Essential to aluminum production, mined only in Greenland. Synthetic cryolite can be made from fluorspar, not mined in Canada but secured in Newfoundland. U. S. to become independent of Greenland cryolite.

ELECTRIC POWER

Is important, approximately 10 kw. hours of electricity being needed for pound of aluminum — enough to keep a 60 watt bulb burning 167 hours. Power needed in huge quantities to meet tremendous plans laid down for production of this metal.

OTHER INGREDIENTS

Common products, present no great problems from supply angle.

Magnesium

Will be extracted from dolomite — a plentiful crystalline-lime rock — in Canada. The U. S. uses sea water, chiefly employing an electrolysis extraction method. Canada's extraction method could use brucite, or some other magnesium mineral instead of dolomite, if desired. Common serpentine rock also to be used in Ontario with new English process. Magnesium comprises approximately 2% of the world's crust.

FERRO-SILICON

Is an essential raw material for use of the dolomite process developed by Dr. Lloyd Pidgeon. It is made in the electric furnace using scrap iron, quartzite, and off-peak electric power when this is available.

ELECTRIC POWER

For production of magnesium is believed will run lower than amount used for turning out aluminum on unit basis. That power is important, however, cannot be denied; Consolidated Smelters shelved its production plans temporarily when power unavailable.

OTHER RAW MATERIALS

Not reported in detail but understood to include no rare elements difficult to secure.

They are Particularly Important in Wartime . . .

Aluminum

Because it's light, only a third the weight of steel; because it's a metal that alloyed can be given a strength equal to most steels, a metal whose ductile qualities allow pressing and pulling into desired shapes. Because of these qualities, aluminum is now the chief raw material in warplane construction, goes into practically every part.

Magnesium

Because it's about a third lighter than aluminum and little more than a fifth the weight of steel. When alloyed has great strength although not usually as great as aluminum alloys. In tremendous demand for airplane construction since low weight means increased cruising radius, greater carrying capacity.

And are Used for These Jobs

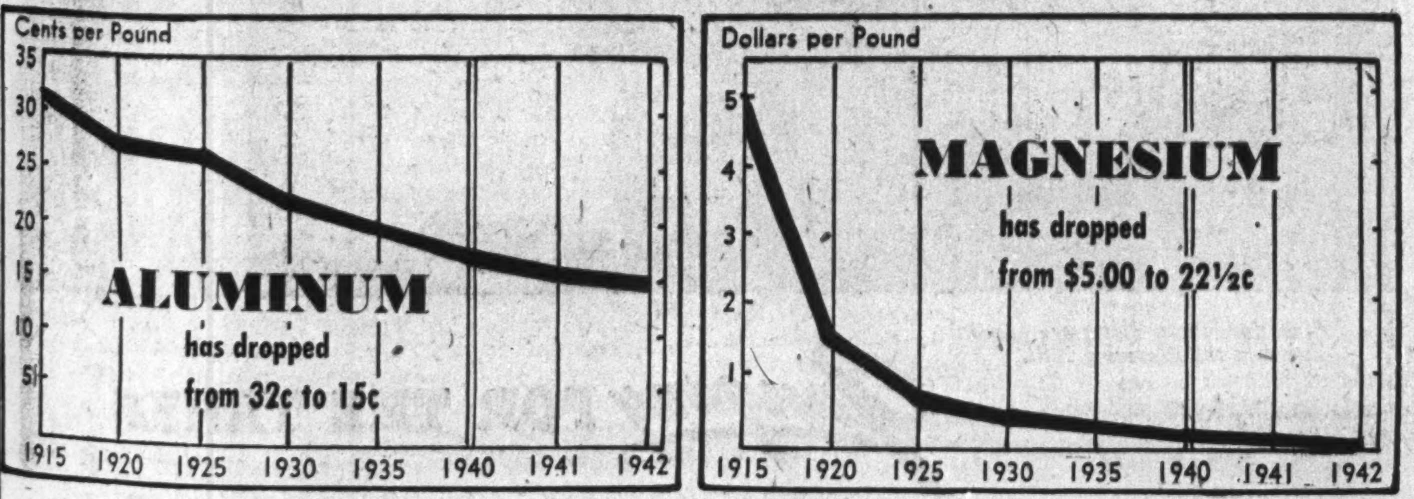
Aluminum

1. Into most aircraft parts.
2. To steel industry, for purifying
3. Into incendiary bombs.
4. For magnesium alloys.
5. Into telescopes.

Magnesium

1. Into many aircraft parts.
2. Into incendiary bombs.
3. For magnesium flares.
4. To steel industry, for purifying.
5. As aluminum alloying element.

Because Their Prices Have Dropped Steadily . . . . .



Charts by The Financial Post.

They Will Have a Far Wider Market After the War

Aluminum

1. In commercial aircraft.
2. In construction trade.
3. For electrical work.
4. In automotive construction.
5. As general alloying element.
6. In chemistry (corrosion resistant).
7. For food and beverage containers.
8. In land & water transport.
9. In paints.
10. Radio parts.
11. For outboard motors.
12. Washing machines.

Magnesium

1. In commercial aircraft.
2. As alloying element.
3. In automotive industry.
4. As purifier in steel making.
5. For general transportation.
6. In foundry equipment.
7. Pyrotechnics.
8. Radio parts.
9. Vacuum cleaners.
10. In washing machines.
11. Outboard motors.

Constant Speed Propeller Is Intricate Mechanism

Next time you see one of those sleek yellow Harvards buzzing through the skies like an angry wasp, think a moment about its propeller. It is as intricate a mechanism as you'll find anywhere. Known to the technician as the "constant speed propeller," it is now being made for the first time in Canada in a new war plant that has blossomed out in a Montreal field once ruled by weeds.

The history of the company which operates the plant for the Department of Munitions and Supply on a non-profit basis is short but eventful. The initial contract was signed on April, 1941; less than 11 months later, the first propeller was completed.

The day the first shining blade was turned out, instructions were received to triple the original scheduled output.

Meanwhile, nearly 400 employees—the nucleus around which an ultimate personnel of nearly 1,000 will be built—are busy turning out precision work of the highest quality—constant speed propellers for the fighting type trainers which carry aloft the Empire's student pilots.

Emphasizing the complexity of this job are more than 12,000 separate drawings—blueprints of each part of the propeller, and of the hundreds of jigs, tools, fixtures, and gauges—which had to be assembled before work could be started. These drawings occupy an entire vault by themselves.

So great is the precision of the constant speed propeller that the final balance is tested by placing an ordinary very small cork on one blade close to the hub. If the balance is accurate, the weight of the cork is sufficient to start the blades revolving.

The secret of the constant speed propeller is its adaptability to new and changing conditions. In other words, the angle of its blades may be altered—as opposed to the fixed pitch propeller—to harness the full power of the plane's engine at all times.

—Photo Public Information.

A highly intricate mechanism is the constant speed propeller, now being produced for the government in a new plant at Montreal. The blades require rigid balance tests at all stages of manufacture. Balance must be so perfect that the weight of a tiny cork will upset it.

HOME SERVANTS

Since the end of January, the manufacture of electric grills, electric percolators, electric stoves for glass coffee makers, and electric tea kettles has been banned. Only 50 per cent of the 1940 quota of electric irons and toasters is now permitted.

TANKS NEED RUBBER

No motorized vehicle can operate without rubber. It is needed as insulation for the wiring, for gaskets, and for cements used in the manufacture. One tank needs as much rubber as it takes to make 124 ordinary tires. Conserve rubber!

Split-second Repairs Are Ordnance Job

(Continued from page 24)

strating in Canada took to get into operation.

The demonstrating L.A.D. had hardly pulled out with the righted lorry in tow when a fleet of big trucks roared up single file across the rough terrain; came to a stop. Sure-handed, their crews jumped into action.

In less than 20 minutes, in fact—

A machine shop had been set up and lathes were turning out rough tools—

A fire roared in a blacksmith's forge and sparks flew from the anvil—

A central power plant was whirring—

Revitalizing juice was flowing through a row of batteries on a recharging line—

Chips were flying in a woodworking shop—

The head was off one of the motors — theoretically a broken valve was to be replaced—

A field gun had been dismounted, cleaned, inspected, remounted.

To focus the mechanic's skill on wartime repairs, he is given, as is every man who joins the Ordnance Corps, special training in the practices employed in the workshops. This shines up the ability he already possesses, acquaints him with many new things, often makes him a specialist in several lines where formerly he was a specialist in but one or two.

As a garageman, for instance, he may often have felt that he could, if he put his mind to it, repair instruments. Ordnance shows him how. He may have been able to do a pretty fair welding job. Ordnance puts him onto all the dodges he didn't know before. He may have been a fair hand at lathe work. Ordnance makes him an expert.

As a merchandiser of service, he knows how to economize time and material; he can do a good job quickly. Ordnance, another of whose jobs is supplying non-consumable goods to the Army, prizes that faculty; the Corps likes to see time and materials be made go as far as possible, as effectively as possible. So Ordnance proceeds to improve a mechanic's ability to save time and materials—waste neither.

It also teaches him to fight.

Alloy Steels Now Made In Canadian Factory

Production of special steels has become big business in Canada. With plants expanded approximately six times since outbreak of war through government financing, Atlas Steels has placed Canada "on the map" when it comes to such things as high speed tool steel, armor plate, and difficult forgings.

While censorship makes an accurate survey impossible, it appears that Atlas Steels may now be the British Empire's greatest single producer of alloy steels.

Essential Production

Turned out in bars, rods and forgings, its high quality steels go into tools, dies, gauges. These special steels are essential to our production of aircraft, boats, motor vehicles, railway equipment and military machines of all kinds.

The expansion started in Dec., 1940, has multiplied production facilities six times and increased capacity has already brought many refinements in production methods. Expansion is still continuing. Output of Atlas Steels and other firms in the same line of business has allowed Canada to supply much of her own requirements—and part of the requirements of other countries. Steels have been shipped across the border, to England, South Africa, India, Australia and New Zealand.

Alloy Elements Needed

Requirements of Canada's own ferro-alloy steel industry has in part brought about the greater production of strategic minerals—manganese, chrome, molybdenum, tungsten, etc. Steps have been taken in Canada to increase production of these, but so far it appears likely that growth in the industry is far ahead of domestic production in this line.

Canada has a considerable number of companies making the ferro-alloy additional agents so essential to turning out special steels.

GOOD DRINKING WATER

A Canadian explosives filling plant uses water from its own artesian wells at the rate of 10 million gallons a day, or enough to supply the needs of a city of 50,000 people. The water is high in beneficial mineral content.

DOING THEIR BIT

Remote control is used in a Canadian explosives plant to bundle and tie cordite, the quick-firing propellent for heavy guns. Two former paper machines perform these operations.

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Buy War Savings Certificates and War Savings Stamps

WAR'S A WORRY?
HERE'S A BRONZE
TO REPLACE
GUNMETAL

TALSIL BRONZE

The scarcity of tin has brought TALSIL BRONZE into prominence. This silicon bronze is now being widely and successfully used in a wide range of mechanical applications where gunmetal and phosphor bronze castings were used.

The physical characteristics of TALSIL BRONZE are such that it is approved for many ordnance and navy requirements.

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TOUGH
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CLOSE GRAINED
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READILY MACHINED

Write for handy data sheet.

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COMPANY, LIMITED
HAMILTON · CANADA

Steel Sets All-time Records

Plates for Ships, Armor for Tanks, Alloys of All Kinds Prime Needs

By ARTHUR D. ELLWOOD

This war is using at least twice as much steel as did the last.

Everywhere stress is on steel-consuming war materials. Tanks, being turned out by the thousands, are practically all steel of various kinds. Trucks have displaced horses.

Ships are being built at unprecedented rates. Canada's merchant shipping programme calls for construction of 172 vessels of which 154 will be of the 10,000-ton cargo carrying type and 18 of the 4,700-ton type.

Each 10,000-ton cargo vessel made in Canadian shipyards uses on the average about 2,400 tons of steel. Each 4,700-ton cargo vessels uses approximately half of this, or 1,200 tons of steel. Canadian shipyards use rivets instead of welds to fabricate their ships, (although use of welding is extending) and this means from 7% to 10% more steel than if welding was used. There are half a million rivets in a 10,000-ton vessel.

A destroyer of the type being made in Canada requires roughly 1,500 tons of steel. Into the making of a destroyer goes more than 200 different types and kinds of steel, giving some concept of the complexity of the job which steelmakers and shipbuilders have to do.

A Ram tank weighs 28 tons and practically all of this is iron and steel.

There is scarcely any aspect of the equipment of a mechanized and armored army of today which does not require iron and steel. When it goes into action, the destruction is tremendous and the weight of ammunition used runs into thousands of tons in a short time.

Steel Shortages

When Canada went ahead to carry out her share of equipping and supplying the armies of the United Nations, one of the first branches of Canadian industry to feel the strain was the iron and steel producing capacity. An industry which in 1939 operated at about 50% of its theoretical capacity was called upon in May this year to work at 99% of effective capacity.

This year estimates indicate that Canada's iron and steel makers will turn out at least 100% more than they did in 1939. In some lines, such as ferro-alloys, the increase will be far greater.

At the same time our dependence upon import of steel from the United States increases as fast as does our own ability to produce. This year Canada is going to require about two million tons of steel in addition to what can be produced by our own steel mills, making a total of well over five million tons in all. Not until 1940 was Canada's steel industry able to exceed its 1918 record of about 1.9 million tons produced.

Add Million Tons

This dependence upon imports does not mean that Canada's own steelmakers have been idle. Since the end of 1939 they have added about a million tons annually in steel ingot capacity by the basic open hearth process. Our capacity to make steel by the electric furnace has increased from 312,565 tons at the end of 1939 to 432,320 tons annually in May this year. All of this latter increase has taken place since the end of 1940.

Canada's steel making capacity and actual production since the war started is shown by the following tabulation:

Iron and Steel Making Capacity

End. of:	Steel Tons	Pig Iron Tons
1939	2,303,000	1,680,000
1940	2,782,000	1,680,000
1941	3,164,000	2,070,000
1942 (May)	3,268,000	2,123,000

Primary Iron and Steel Production

	Pig Iron Tons	Ferro Alloys Tons	Steel Ingots & Castings Tons
1939	841,419	85,040	1,550,054
1940	1,309,100	149,395	2,253,769
1941	1,528,054	213,219	2,701.313
1942 (est.)	2,100,000	240,000	3,100,000

The end of this accelerating production is not yet in sight. All steel companies are actively increasing their capacity, limited somewhat by ability to divert some of their own products to increase plants and by the necessity of obtaining machinery and equipment from the United States. Algoma Steel Corp., for example, has under way a major expansion programme which will add about 475,000 tons to this company's annual pig iron producing capacity. Part of this will be ready early this fall and the balance by the spring of 1943.

There are only four companies in Canada equipped to produce pig iron. These companies and their respective capacity as at the end of May this year are as follows:

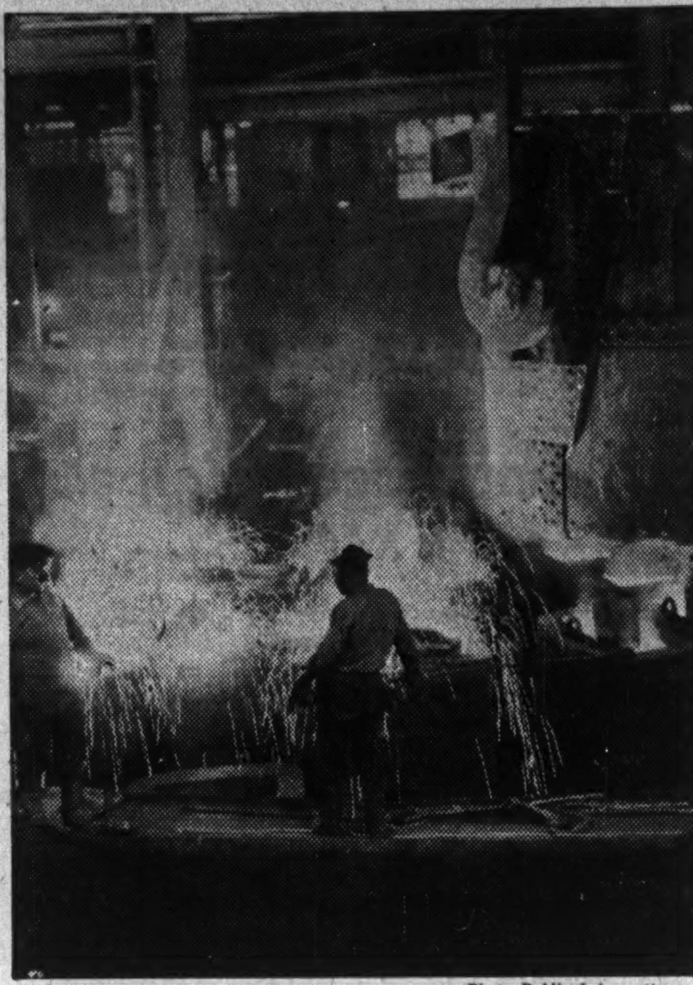
Pig Iron Producing Capacity

	May 1942 Tons
Dominion Steel & Coal	490,560
Canadian Furnace Co.	221,760
Steel Co. of Canada	757,000
Algoma Steel Corp.	654,000
	*2,123,320

* Total of 12 furnaces includes one having 122,600 tons annual capacity (or 6% of total) which had not operated for some years but is being reconditioned.

As for steel making capacity, each month this year has seen a substantial increase. Beginning in January with an annual capacity of 3,164,000 tons, Canada had boosted her capacity to 3,268,000 tons by May. Increases of about 30,000 tons were made in February, April and May with a smaller gain in March as new furnaces came into production.

In spite of steadily rising domestic production and record rate of imports of iron and steel products, Canada still has not enough to supply the combined needs of soldier and civilian. Primarily this fact was behind the early appointment of a steel controller in Canada and accounts for the steadily increasing severity of the restrictions placed upon the use of steel in civilian products.



—Photo Public Information.

Here's one phase in the birth of a ship—molten ship-plate steel being teemed into ingot molds. This method of pouring, called bottom pouring, gives the smooth ingots so essential for plate rolling. Canada's steel mills are working at capacity, turning out steel for ships. Plate mills are gobbling so much of the output that there's a growing shortage for other purposes.

Like practically everything else in Canada, steel and its products are under price control regulations as well as under control as to use and production.

Ship and Armor Plate

Outstanding among special wartime uses for steel are steel plates for shipbuilding and armor plates for tanks, universal gun carriers, gun shields and warships. To handle the former has been a more difficult problem than the latter as suggested by the figures given above for the amount of steel plates which ships require. Our plate mills were adequate for peacetime needs but far from adequate for war needs. Unfortunately the shortage of plates is also pressing in our alternative sources of supply such as the United States.

New plate mills have been placed in operation by Dominion Steel & Coal Corp. and by Steel Co. of Canada. Others have been improved and enlarged. A new 110-in. plate mill started operating at the Steel Co. of Canada plant about the first of 1941; another of the same size started in March this year for Dosco.

Production of armor plate is a more difficult job but one in which the quantities involved for Canada's needs do not require such large tonnages. Dominion Foundries & Steel has been a leader in the work of producing armor plate and military authorities pay this company a tribute for accomplishing successfully a most difficult job. Armor for Canadian-made tanks comes from Canadian steel mills and is claimed to be the equal of any.

Tailor-made Steels

War has brought needs for many tailor-made steels, designed and developed to meet a special need wherever the maker of tanks, airplanes or trucks feels a part of his product is going to take a particularly hard beating. This is the job of the alloy steel maker, a job in which Canadian industry has been able to hold its own.

The alloy steelmaker combines regular carbon steel with such alloying elements as nickel, vanadium, molybdenum, tungsten or chromium. He is a specialist who produces metals to meet particular needs by more precise and difficult procedures than those a tailor uses in turning out a suit.

The list of fancy and special steels had grown to enormous proportions even before the war, but the American Iron and Steel Institute has reduced this list to a mere 57. Of these 57, there are 16, formulas as recently as last December, which promise to make metallurgical history. They will probably account for 20% of the total alloy steel production in the United States in July and more in August.

Save on Alloys

Research work among steel metallurgists since the war started has been stressing methods whereby dependence upon scarce alloying materials would be lessened. Outstanding problem was to find a way to ease the strain on nickel, an alloying material widely used in engineering steels but also badly needed for stainless types, monel metal, signal corps equipment and other war purposes. Chromium was also growing scarce and most of this has to be imported from outside of Canada or the United States.

The trend is toward increasing use of molybdenum and manganese, both metals in relatively ample supply. Advantage was taken of the recognized principle in alloying that if there are two different elements which impart equal toughness into steel it is better to use one half part of each instead of one element alone. This same principle applies to steels using three or more alloying elements.

An example of what was done was to replace an old type steel requiring 25 lb. of nickel and 13 lb. of chromium per ton to produce desired characteristics by an alloy requiring 10 lb. of nickel, 10 lb. of chromium and five lb. of molybdenum. The net saving in alloying metals was 13 lb. but the saving in nickel was 15.

Another attack on the nickel-chromium problem was to raise the percentage of manganese above 1% and add molybdenum. It was found that by adding 13 lb. of manganese and seven lb. of molybdenum per ton, the nickel content of a certain steel could be cut by 25 lb. and chromium by seven lb.

Canada's steel making industry does not pretend to turn out anything like the range of special steels used in the United States but each month the report of ferro-alloys produced in Canada lists from eight to a dozen of these special types of steel, using silicon, manganese, chromium and other materials as alloying ingredients.

Scrap Gets Scarce

Steel is made primarily from pig iron and scrap iron and success of Canada's efforts to find enough steel for its war industries this year is going to be greatly influenced by success in obtaining enough scrap iron. This year we need 500,000 tons of steel scrap to keep our steel mills going. In peace time Canada required about 250,000 tons of scrap iron. Formerly we used to get large quantities of this from the United States but we can no longer count on U. S. scrap exports to feed Canadian steel mills.

The result is a campaign to collect scrap from all sources, in charge of Wartime Salvage, Ltd. A newly formed government agency, it is responsible to the Minister of Finance and operates through Wartime Prices and Trade Board to finance the collection of scrap on a basis which will permit its collection in all parts of Canada irrespective of distance from steel plants or transportation facilities.

It is true that considerable variation is possible in proportion of pig iron and scrap going into a steel furnace but pig iron requires blast furnace capacity and last month Canada's available blast furnaces worked at 94% of theoretical capacity.

Tinfoil Collection Yields Tons of Lead, Aluminum

More than two tons of aluminum and three tons of lead have been turned in by volunteer workers of the National Committee on Refugees, who gathered and sorted millions of pieces of tinfoil.

The committee chairman, Mrs. H. C. Cook, of Ottawa, reports that tinfoil contributions came from as far east as Prince Edward Island and as far west as British Columbia. Lindsay, Ont., sent 3,500 pounds.

In many parts of the country the dealers do not welcome foil. The preparation of foil is the all-important job. The three kinds of foil are aluminum, lead and a combination of tin and lead and these must be sorted.

Furthermore, any foil off food such as cheese and yeast must be washed and then, more important, must be dried, to prevent mold results. Whole boxes of foil have been thrown away because it was too moldy to use.

Tinfoil sorting is a necessary wartime job. It is important to remember that even one little piece of aluminum foil in the melting furnace with lead and tin will spoil that whole melt.

READY FOR ACTION!

These are days of ruthless testing when only the best survive. For any product to be found worthy to serve in this fateful struggle—that is the supreme reward for years of conscientious effort. In the face of today's rigid requirements, so highly regarded are the various products of International Paints that this world-wide paint organization is a foremost supplier of paints and finishes for Allied fleets, aeroplanes, railroads and industries going all-out for victory.

International Paints (Canada) Limited
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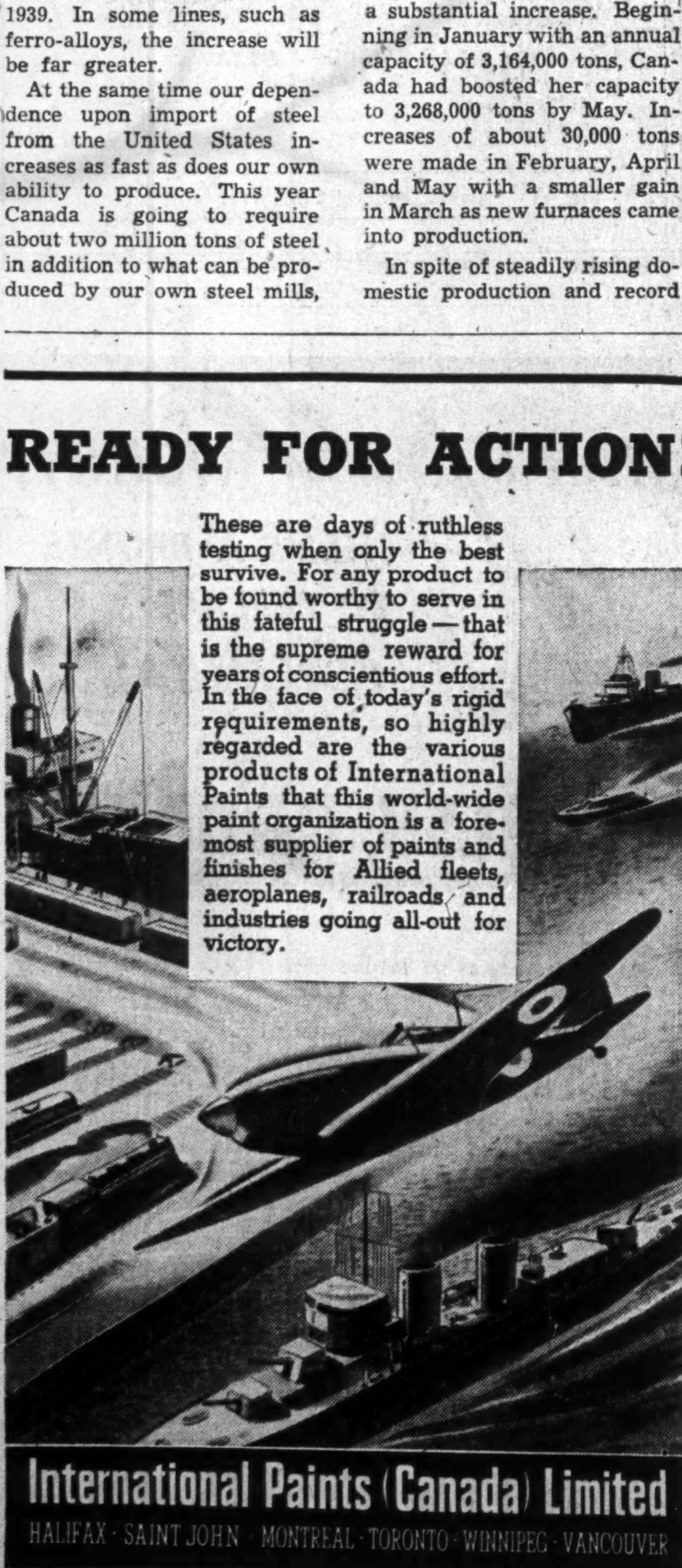

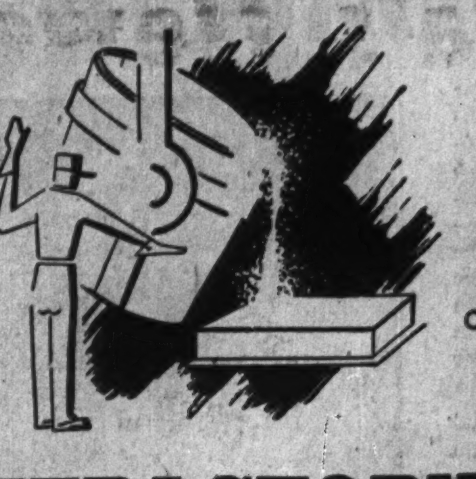

MAGNIFRIT
695 PLASTIC
RAMIX

MAGNECON BRICK
C.R.L. CHROME BRICK
MAGSET CEMENT

REFRACTORIES
AN
ESSENTIAL TO
Canada's Steel Industry

Steel output today is a matter of vital importance to the nation. The efficiency and speed of steel production depends to a great extent on the type of refractories available. Better refractories mean less "lost time" on open-hearth and electric steel-melting furnaces, with a consequent increase in output.

The steel industry of Canada is fortunate in this respect, having at Canadian Refractories Limited plant at Kilmar, Quebec, an excellent source of basic magnesite. This is the raw material from which high quality refractory products are manufactured.

Canadian Refractories Limited through research and an appreciation of the requirements of steel producers have striven to improve the quality of their products and develop new products for new applications.

LARGEST MANUFACTURERS OF BASIC REFRACTORIES IN THE BRITISH EMPIRE

Canadian Refractories Limited
MONTREAL HAMILTON

STELCO
36
32
28
24
20
16

Slabs for Heavy Plates are produced in the Blooming Mill.

Gangway FOR THE TANKS

The mounting production of shells, bombs, mines, tanks, army trucks, rifles, guns and gun carriers, combined with the needs for shipbuilding continue to consume steel at an accelerating pace. Requirements for war and vital needs have progressively absorbed a larger share of the available supply, and as a consequence, steel for less essential purposes has had to be curtailed. We are confident that all users of STELCO Products will thus bear with us under such circumstances.

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
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Canada's Newest Town Grew Overnight On Farmland

One Building a Day Put Up for Year at Site of Huge Shell-Filling Plant in Ontario

By IAN SCLANDERS

If it weren't for censors, cartographers would be inking a new town on the map of Canada—a busy, colorful, exciting town the like of which was never built before in so short a time. While this war lasts, however, it will not be marked by the smallest dot, even on the largest map.

That's because it's the site of a shell-filling plant "somewhere in Ontario"—a $10 million government investment which has to be protected from saboteurs and the possibility of enemy air attack. For reasons of security, authorities are not anxious to have its location a matter of record.

The new town has streets and sidewalks, water and sewerage, fire and police departments, doctors, nurses, a hospital.

It has homes, offices, stores, restaurants, residential dormitories, a 100-room hotel, a recreation centre, a bank, a postoffice.

It has an industry that employs 8,000, a population growing at the rate of 50 to 100 weekly, and an area of more than four square miles enclosed in a high metal fence constantly patrolled by guards.

Two years ago all this was a blueprint in a drafting room. The four square miles were pastures and orchards, hayfields and turnip patches.

This town, where a new building was completed every day for a year, is one of the miracles of this war. It is one of five projects which enables Canadians to say that every three months we are producing and putting into shells more explosives than we produced and put into shells in the four years of the last war. It is the meeting place of empty shell-casings and what goes inside them.

Bundles for Hitler

At the finishing point of each assembly line—and there are several assembly lines—you see completed shells racing by as fast as you can count them, to be loaded on freight trains, to be carried to ships. They are long and streamlined and potent. You think of the death and havoc they will cause when they reach their ultimate destination — under their own power.

Canada's five major explosives projects are operated for the government by Defense Industries Ltd., a subsidiary of Canadian Industries Ltd.

In many respects they are as alike as peas in the pod. Any plant where a great quantity of explosives is handled has to be spread over hundreds of acres and housed in small units far enough apart that if there should be an explosion in one, the others won't be wrecked too. You can't pick up a tract of hundreds of acres in or near a city—even if the people in the city should agree to an explosives industry in their midst.

Thus they were all established some distance from built up centres of population. This involved taking the workers to the work, instead of the work to the workers. It meant that living accommodation had to be provided for labor—in short, that in each case a new community had to be created.

The story is not only the story of a dramatic industrial development but an experiment in human relations. Because morale and production are so closely linked, it was realized that success might hinge on whether the men and women who would come could be given facilities for a way of life they would find satisfactory.

It would be necessary, it was realized, to help them get adjusted to new and unfamiliar conditions.

This was probably a factor in the appointment of E. E. Daggett as works manager of the plant "somewhere in Ontario." A short, brisk, friendly man, full of vitality and good humor, Mr. Daggett in addition to being an outstanding chemist—chief chemist of the cellophane division of C.I.L.—has a gift for getting along with people, plus a lively and practical interest in labor-management problems.

His official title may be works manager, but he's also mayor, street superintendent, commissioner of parks—a multiplicity of municipal officers rolled into one. One minute he's straightening out a snarl in an assembly line, next he's conferring about handicraft classes or a day nursery, and the next minute he may be naming a new street.

The windows of his modest office on the second floor of the asphalt-shingled administration building look out on what might be called the "business section."

This takes in King Street, Churchill Avenue, Roosevelt Avenue—their names shown on signboards at the intersections. The streets are not paved but covered with smooth clean gravel. The sidewalks are wooden. A bit of landscaping has been done. There are a few flowers, lots of close-clipped green grass. Here and there a fruit tree or an elm, a reminder of the orchards and pastures, casts a circle of shade.

Giant Cafeteria

Grouped around the administration building are the recreation centre, the hospital, the hotel—engineers and members of the technical, clerical and personnel staffs live here—and the camp residents' cafeteria, where thousands of meals are served daily. All are of the same type of construction—wood covered with white asphalt shingles.

The hospital has 13 beds now, and is soon to be much enlarged. It has most of the equipment of a more permanent establishment and is designed, like everything else, for maximum efficiency. The health of the community is looked after by seven doctors, 30 nurses. (Each production line has a first aid station, a nurse always on duty.)

In the hotel there are hardwood floors, modernistic furnishings, a big comfortable lounge, a quiet, cool dining room. Think of a summer hotel which caters to the better class of trade and you have a picture of it.

Vast is the word for the main cafeteria. It seats hundreds, has a counter that looks as long as a train.

Vast, too, is the recreation centre. On one side, as you enter, are four bowling alleys, and on the other is a big room with ping pong tables. The main part of the building is an auditorium with a floor big enough that as many as 1,200 have danced on it at once. There is a stage at the end of the auditorium, and theatricals are popular. There is also a screen on which moving pictures are shown regularly.

Personnel Relations

The social life revolves around this recreation centre, which is directed by Jim Samson, a Y.M.C.A. executive on loan to Defense Industries, and Miss Dorothy Shepherd. No matter what time of the day or night it is, workers who are off shift congregate there to drop nickels in the juke boxes, bowl, play badminton, cards, table tennis, drink soda pop, dance. It's like a big club and an easy air of informality prevails.

"We try," Samson explains, "to find out what everybody wants to do, and give them a chance to do it. If a newcomer likes a game of bridge, we try to put him in touch with a bridge group, or if a person is interested in tap-dancing, we get a new member for the tap-dancing class. We also have stage groups."

The workers pay for the use of bowling alleys, pay admission to the dances and picture shows, and the recreation centre carries itself financially. This is by design, as it is Mr. Samson's idea, and Mr. Daggett's, that people don't want and don't appreciate amusements offered them free, particularly if offered by their employers.

Some distance from the recreation hall are neat, white, two-story houses on either side of a short street. This is "Executives' Row," where various managers and officials live with their families in self-contained dwellings and duplexes.

Off in another direction are the girls' dormitories — long white buildings with many windows. Each houses 100 girls, two girls to a room. Each has a large lounge, attractively furnished and decorated, with chesterfields and comfortable chairs scattered liberally around. Each is in charge of a "house mother."

Most of the "mothers" are women who have raised families themselves and are broad-minded, kindly, ample. Engaging the matrons, the personnel manager avoided the "holier than thou" type. It was recognized that the girls in the dormitories were living away from home, and paying their own way, and that they had a right, up to a point, to do what they wanted. The girls can entertain men in the lounge, but not in their bedrooms. They can come and go as they please, stay out as late as they want. If a girl is making a fool of herself, the matron may give her a friendly talking to, but not a lecture. A girl who is really bad—there have been very few of them—is promptly fired.

There are now 800 girls living in dormitories, and the number will be increased to 1,000 soon. In a year it may be 2,000. They have a choice of color scheme when they get their rooms. The walls of these are apple green, pink, cream.

Sleep Saboteurs

The rooms are well furnished, but the girls generally dress them up with extras—inexpensive bedspreads and the like. The cardinal sin in a dormitory is to make a noise, because, in a plant operating three shifts, there's always somebody sleeping. A sign in each lounge says: "Sleep saboteurs and radio rowdies are friends of Hitler."

Room and board costs a girl $7 a week. Girls' wages (exclusive of the cost-of-living bonus) start at 35 cents an hour and go to 47 cents, for a 48-hour week.

The single men at the plant have dormitories, too. Six hundred of them are now accommodated in this manner. Their dormitories aren't quite so fancy, but spotlessly clean and attractive. Board costs a male operator $8.05 a week, a foreman $8.95. The men's wages are higher—from 55 cents an hour, plus bonus, for beginners, to 85 cents, plus bonus, for highly skilled workers.

All dormitories are equipped with baths, showers and other facilities.

Employees of the plant who do not live on the property are residents of towns and villages from miles around, who drive to and from their work daily. The plant has drained off all the surplus labor in these centres and officials for some time have been looking farther afield for new workers. However, they can be brought in only as fast as it is possible to provide shelter for them.

Wartime Housing

Under construction now, and soon to be completed, are 300 Wartime Housing bungalows, which will be rented to married men. These are the first Wartime Housing units on the site, the buildings thus far in use having been put up for Defense Industries by the contracting firm of Carter-Halls-Aldinger.

When the bungalows are occupied, there will have to be a school, and, probably, a church. Plans for the school are in hand now. Meanwhile, children attend school at a nearby village. A day nursery is coming soon, and that's expected to be a big help to married women with small youngsters.

Responsible for all the meals is a catering firm which also has concessions for the various canteens and a couple of stores. Defense Industries built the restaurants, stores, canteens, and furnished them, then got one firm to move in and take over. A constant stream of trucks carries the food to the town, and the catering contract keeps a staff of about 500 busy.

"Beauty Shoppe"

There is a barber shop for men, a beauty parlor for the women — "Eileen's Beauty Shoppe."

"We built and equipped the beauty parlor, and put Eileen in it," says Mr. Daggett, who believes a woman's morale gets a lift from a smart hair-do.

There are also the other services you find in the ordinary town — shoe repair shop and so forth. The bank is a branch of the Bank of Commerce.

There's a newspaper too — published monthly. It reports the doings and is called "The Commando." There's a big demand for extra copies from employees whose families are not living near enough for week end visits, and who want to send it home to show the folks what they are contributing to the war effort.

Heat for all the buildings, including the plant units, is provided by a tremendous central boiler room, from which steam flows through insulated overhead pipes. The pipes were placed overhead for the sake of economy. It's cheaper than putting them below the ground. Water pipes lay on top of the ground for a time, but had been buried below frost level by last fall.

The size of the area the community covers can be gathered from the fact that it has 48 miles of railway tracks, 100 miles of sewers, dozens of miles of water main and steam pipes. It also has a bus service—big vans which take workers to and from the production lines. These lines are so far apart that each has its own cafeteria where the worker has a meal during his eight-hour shift.

Miles of Assembly Lines

The production lines themselves — long rambling, shed-like affairs of corrugated metal, here and there bulging out to house some phase of assembly, would themselves reach miles if placed end to end. And scattered far and wide are explosive dumps, built of brick and banked to the rooftops with earth, so that if there were an explosion it would blow up in the air and cause less damage than if it blew sideways.

Entering the "explosives area" which contains the plant, the worker passes through a gatehouse, where officers take his matches or his cigarette lighter away from him, to be returned when he leaves.

There's a term of three months in jail for smoking inside the "explosives area," a fine of $50 for taking a single match inside. Posters announce that "matches may be two boxes for a nickel, but they can cost you a lot." Nobody has any sympathy for those who try to sneak a smoke, thereby endangering lives. But Mr. Daggett is the first to admit that the $50 fine for matches is extraordinarily severe, and has worked hardship on persons who had no intention of breaking the regulation. A man searched just recently had the head of a match in his pocket. He had thought it was the stem of an apple he was carrying. It cost him $50 just the same. Whether so heavy a fine is wise is debatable. Before it was put in effect by federal authorities, frequently an employee would discover a match in his pocket after he was inside the barrier, and report to his foreman that he had brought it in by mistake, leaving it where it would do no harm.

Safety first is constantly emphasized at the plant. Near the gatehouse there is a large signboard painted like a race track with a horse on it to represent each department. The horses are moved daily, on a system of handicapping based on accident records and that of the department with the best record crosses the finishing line first at the end of the month. This monthly "safety derby" arouses intense competition and a good many bets are always laid on its outcome. Toward the end of a month—and the end of the race — excitement is high-pitched. The worker who has even a minor accident suffers not only physically, but mentally—this last through the knowledge that the accident may have cost his department's horse the race.

The first day or so the average worker is at the plant, he's nervous—expects to be blown sky high at any time. That feeling soon passes as he learns more about explosives, learns that they are safe if safely handled.

Although employees are constantly working with chemicals, occupational illnesses aren't so serious a problem as might be expected. T.N.T. is the worst offender, gives some persons a skin rash and then, if they keep on working with it, a disease of the liver. Studies have shown, however, that most dark-haired persons are immune to T.N.T. poisoning, most blondes and redheads being allergic to it. The result is that brunettes work in the T.N.T. departments and the blondes and redheads are assigned elsewhere. This cuts T.N.T. poisoning to a minimum but even at that all who handle it get a medical examination daily.

First sod was turned in Feb., 1941, and by July the first production line was in operation. Last September there were 184 men and 192 women on the payroll. December payrolls show 1,421 men, 1,606 women.

In January of the present year, the number jumped to 2,170 men, 2,622 women; in March to 2,877 men and 2,934 2,714 women—a total of 6,342. Add to this a catering staff of women; in April to 3,561 men, but the number of women decreased to 2,921.

In May, last month for which complete figures are available, the plant had 3,628 men and 500 and a government inspection staff of around 1,000. The number of employees is still being increased.

It cannot be said that the plant has any ultimate production objective. It's one of those ventures that just keeps on growing. In some lines, the output originally planned was only one third of the present actual output. Next year it may be again multiplied by three.

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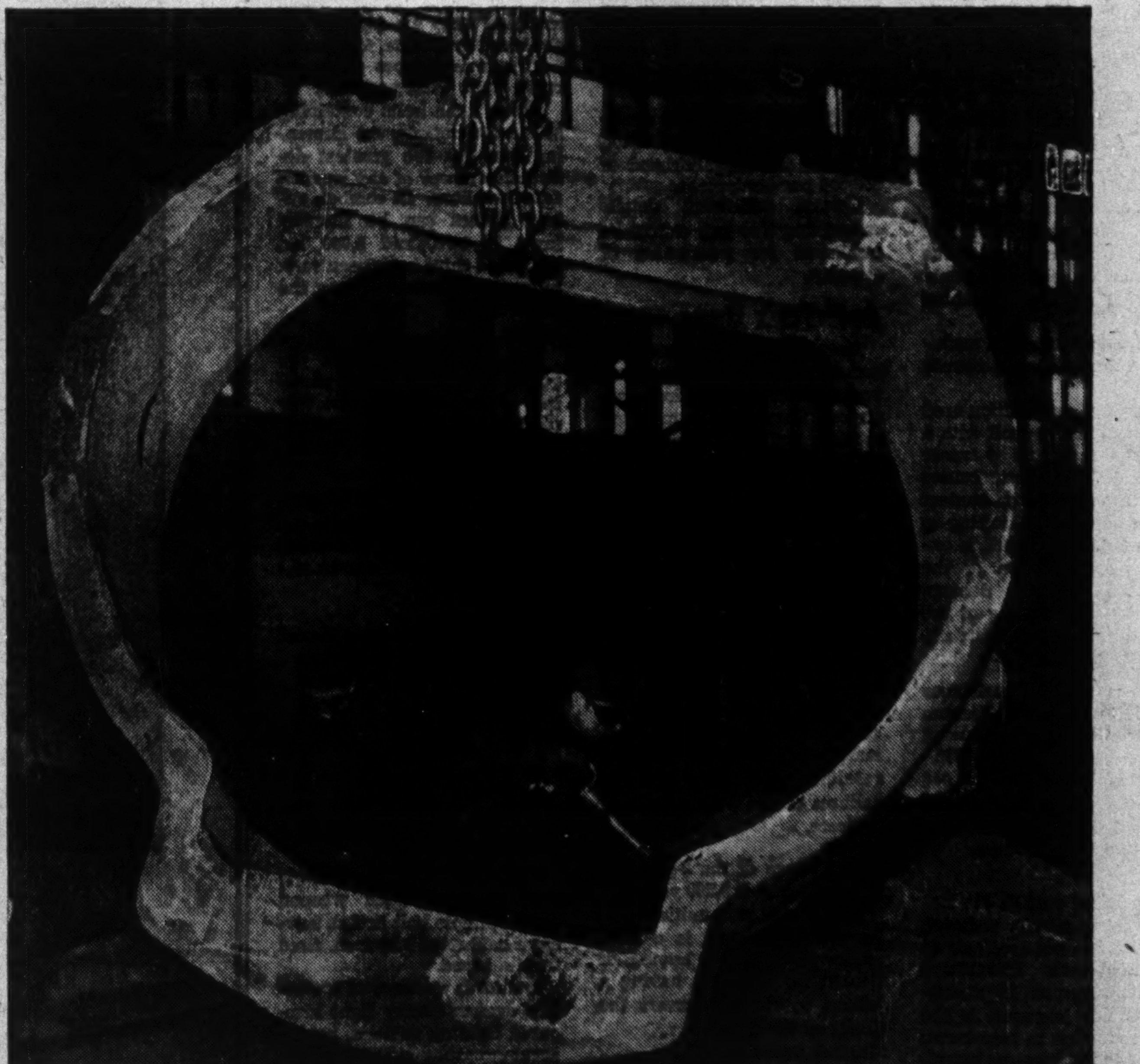

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See 'Magnificent Job' in Canadian Gun Production

House Committee Reports on Efficiency of Weapons Output Programme

That a "magnificent job" has been done by the Department of Munitions and Supply in the manufacture and production of guns is the finding of the subcommittee on gun production of the Special Committee on War Expenditures. Other findings on this phase of Canada's war effort, as reported to the House are:

1. There is duplication in gun inspection that should be eliminated. There exist two classes of inspectors, one representing the manufacturer, and the United Kingdom and Canada Inspection Board. Production efficiency has advanced sufficiently to warrant a relaxation in inspection so that only one group of inspectors should be employed. The other group should confine itself to final inspection and technical problems.

2. A complete system of spot inspection and final inspection of the completed article should be set up. This would release several thousand inspectors and hundreds of thousands of gauges for work elsewhere. Economies effected might easily run into several million dollars.

3. The system which has been set up to effect savings on accessories to small arms should be extended to heavier guns. Great savings have been effected in the small arms production field through simplification of design and elimination of non-essential items.

4. Suggestions that the Industry and Subcontracting Branch should come to the rescue of small shops who find themselves jobless, by requiring the prime contractor to subcontract to those smaller shops, are found to be impracticable. The prime contractor cannot be made responsible for a contract and then be told where he should get his outside work. Recommended, however, is the addition to the contract with the original contractor of a clause requiring him to subcontract items where it is possible to do so consistent with efficiency and economy.

5. No machine tools should be supplied to any prime contractor, where it is known that there exists unused machine tool capacity of the type required.

6. It is preferable to persuade prime contractors to subcontract rather than force them to do so. Further to explain the subcontracting programme, expansion is recommended of the educational programme of the Industry and Subcontracting Branch both to prime contractor and the general public.

For reasons of security, says the report, some details of the following weapons are not revealed. The following is virtually verbatim of the committee report.

Bofors Anti-Aircraft

The 40 mm. Bofors anti-aircraft gun is a complicated weapon consisting of approximately 1,800 separate parts. Design is such that it can be fired single shot, as well as automatically, which is the usual type of operation.

Fire control equipment is arranged so that the gun is normally aimed by remote predictor control, although open sights are provided for direct sighting.

The gun is mounted on a four-wheeled carriage, thus being capable of rapid movement to any desired locality. In action, it is stabilized by the use of levelling jacks on arms extending to the left, right and in front of the mounting.

On account of its rapid rate of fire, it constitutes one of the best known defences against low flying and dive bombing airplanes.

Ammunition is loaded manually in charges of five rounds each.

The type of ammunition used is a high explosive shell with a percussion fuse and a tracer and igniter. The fuse causes the shell to explode on contact with an object, and, failing to hit any object, the shell is exploded by the action of the igniter, so that any damage caused by the bursting of the shell will take place in the air.

Capital Assistance

Total capital assistance granted to the Otis-Fensom Elevator Co. Ltd. producing Bofors equipment is $14,332,741. This includes $3,069,044 for the barrel plant, which has capacity for United Kingdom and United States Orders.

Cost

The original cost of the Bofors is being rapidly reduced, but details are not available at the present time. Illustrative of the improvement in production methods however, is the steady reduction in man-hours required to produce one barrel, as follows:

Date	Man-hours
October, 1940	186
January, 1941	96
March, 1941	77.4
August, 1941	70.7
November, 1941	57.3
February, 1942	54.8
June, 1942	44.8

3.7-inch Anti-Aircraft

Equipment

Like the Bofors, the 3.7-inch A.A. gun is mounted on heavy pneumatic-tired wheels and thus has a high degree of mobility necessary under conditions of modern warfare. In action, the gun and mounting are stabilized by four levelling jacks, two extending to the front and two to the rear.

The gun is aimed manually by gunners, in response to dial indications of elevation and bearing which are supplied by a predictor serving a battery of either two or four guns. Fuses are set automatically for range by a fuse-setting machine on the mounting, which is also operated by the predictor.

The type of ammunition used is a high explosive shell, fused with a time fuse but having no tracer. This fuse is set to burst at a definite time and therefore at a definite distance from the gun and consequently the explosion takes place in the air whether or not the shell hits its target.

Capital Assistance

Total capital assistance granted to the Hamilton Munitions, Ltd. for the production of the gun is $11,894,310 and to the General Electric Co. Ltd. for the mounting, $15,430,912. It should be noted that the capital assistance to Hamilton Munitions includes $6,953,358 for the production of barrels with capacity for United Kingdom and United States orders.

Cost

A definite cost is not available, although it is estimated to be in the neighborhood of $60,000 per equipment.

Certain additional details concerning this gun cannot be published for reasons of security.

Anti-Tank Guns

These two guns are used for anti-tank defense, mounted on two-wheeled rubber-tired carriages. They are also mounted in tanks and are thus offensive as well as defensive weapons.

While in general appearance they do not differ materially from field guns except in size, their design is such as to permit high muzzle velocities and very rapid traverse. This rapid traverse enables the gun to be quickly aimed at moving objects, such as tanks and armored fighting vehicles, and the high muzzle velocity, together with the solid shot used, makes possible armor piercing results much greater than the calibres of the weapons would indicate.

Range

The range of the 2-pounder gun at 12 deg. is 5,500 yards.

The type of ammunition used in these two guns is a solid armor piercing shot having, of course, no fuse but having a tracer, to show observers the flight of the shot.

Capital Assistance

The total capital assistance granted to the Dominion Engineering Works, Ltd. and Regina Industries, Ltd. who are producing these two types of equipment, is $15,474,100, the latter company having received $3,873,312 of this for the production of carriages for the guns.

Cost

While costs are not yet available, production efficiency at the Dominion Engineering Works can be judged by a comparison of the reduction achieved in man-hours per gun, as follows:

2-pounder

Gun serial number	Man-hours
1	1,219
200	872
585	631
1115	390
1535	372
Current	350

6-pounder

Gun serial number	Man-hours
30	930
100	630
200	530
800	400
Current	375

The No. 4 Rifle

The No. 4 Rifle is the modern equivalent of the Lee-Enfield Rifle used in the First Great War. It is somewhat lighter than the Lee-Enfield and is equipped with a new style short bayonet, and simplified backsight. The magazine holds two charges of five rounds each. Fifteen aimed shots can be fired per minute by trained personnel.

Some rifles, especially selected for accuracy are equipped with special telescopic sights for snipers.

Range

Effective range is approximately 1,200 yards, with a maximum range of 2,000 yards. Bal, armor piercing and tracer ammunition may be used.

Capital Assistance

Total capital assistance authorized to Small Arms Limited for the production of No. 4 rifles amounts to $7,130,328.

Cost

Comparative monthly costs provide a graphic measure of the effects of increasing volume and improvement in manufacturing efficiency as follows:

Date	Cost*
September, 1941	$97.43
October	82.91
November	73.99
December	62.15
January, 1942	61.11
February	59.35
March	57.13
April	47.43

*Includes rifle, bayonet and scabbard.

Browning Machine Gun

This air-cooled pneumatically fired, machine gun is standard equipment for Empire aircraft which may be equipped with 2, 4, 6, 8, or 12 guns depending on the type of plane and its tactical use.

Three types of Browning machine guns for aircraft are produced in Canada, for mounting in various types of turrets or in fixed wing positions.

Firing from belts containing 300 to 500 rounds, the Browning gun has the greatest destructive power of any weapon of this calibre. In combat, enemy planes can be literally sawn in two, and 5,000 ton merchant ships have been sunk by concentrated fire along the water line.

Range

The effective range is 600 yards, using ball, armor piercing, or tracer ammunition. For special assignments, incendiary ammunitoin may also be used.

Capital Assistance

Total capital assistance authorized to the John Inglis Co. for the production of Browning Machine Guns amounts to $9,506,367.

Cost

Progressive reduction in cost has been achieved as follows:

Nov. 15, 1941	$402.99
Dec. 27, 1941	282.61
Jan. 24, 1942	250.12
Feb. 21, 1942	240.99
Mar. 28, 1942	227.31
Apr. 25, 1942	220.50

Boys Anti-Tank Rifle

The Boys Rifle is a single shot, hand operated weapon with a simple bolt action, having a calibre of 0.55 inch. fired from a bipod.

It affords a means of protection against enemy light armoured fighting vehicles, having great accuracy because of the long barrel, and good penetration.

The relatively heavy recoil is largely absorbed by a recoil-reducer on the muzzle, and 800 pound buffer spring, and a sponge rubber shoulder pad.

Capital Assistance

Total capital assistance provided to the John Inglis Co. for the production of Boys Rifles amounts to $5,012,678.

Cost

This weapon is just passing through the initial production stage. Preliminary costs are now being determined but are not yet available.

Certain additional details concerning this gun cannot be published for reasons of security.

Bren Light Machine Gun

This air-cooled, gas-operated light machine gun of .303 in. calibre is essentially an infantry weapon, its chief characteristics being its power to deliver a volume of fire with the employment of relatively few men.

It is capable of a high rate of fire (550 rounds per minute), each gun being accompanied by a spare barrel. In order to preserve the life of each barrel they are interchanged after firing 10 magazines of 30 rounds each. The gun is equipped with a bipod and is normally fired from the prone position.

It is also used in the anti-aircraft role mounted on a tripod and fitted with a 100-round drum-type magazine.

This weapon is the backbone of infantry firepower in all of the Empire Armies.

Range

When fired from the bipod, the effective range is 1,000 yards. When fired from the tripod, given good visibility, this distance may be increased.

Maximum range is estimated to be 2,000 yards.

Three types of ammunition are used—ball, armor piercing and tracer.

Capital Assistance

Total capital assistance granted to the John Inglis Co. for Bren Gun production amounts to $9,004,544.

Cost

Since obtaining substantial production, monthly cost checks have been made.

1941	Cost
Beginning 1st quarter	$390.59
End 1st Quarter	325.79
End 2nd Quarter	278.04
End 3rd Quarter	251.63
End 4th Quarter	204.63
End 1st Quarter, 1942	192.28

It is noteworthy that scrap value for April amounted to only $3.48 per gun and that to date, only sufficient scrap parts have been available to complete 893 Drill Purpose guns—1.1% of the total service guns produced.

25-Pounder

Unlike the horse-drawn steel-tired 19 Pdr. and limber of the First Great War, the modern 25-Pdr. Equipment consists of the gun mounted on a pneumatically-tired gun carriage and trailers drawn by an artillery tractor capable of sustained cruising at 45-50 miles per hour on roads. A second ammunition trailer accompanies each gun, two trailers to one tractor.

In action it may be revolved on a turn-table permitting rapid change in direction. The weight of the gun and carriage is 3,800 pounds. In transit, one trailer is hooked to the gun-carriage in order to ensure flexibility of load behind the tractor, and carries 32 rounds of ammunition together with a number of small stores. It incorporates 750 parts and weighs some 3,400 pounds loaded.

25-Pdr. ammunition is of the separate quick-firing type, that is, the cartridge case containing the propellant, and the projectile, are loaded separately in order to facilitate varying the charge. The projectile may be high explosive or smoke shell having either time or percussion fuses, or armor piercing shot, weighing 20 pounds.

Capital Assistance

The total capital assistance authorized to Sorel Industries Ltd. for the production of the 25-pdr. gun and carriage amounts to approximately $7,500,000.

The total capital assistance for the production of No. 27 Artillery Trailers granted to Frost and Wood Ltd. amounts to $286,112 and to Richardson Road Machinery Co. $44,868.40.

Cost

The cost of a gun and carriage as produced by Sorel was $14,263 as of April last. It is estimated that in each succeeding month a reduction approximating $300 is being achieved. To the above figure must be added approximately $9,000 to cover the cost of ancillary and free issue stores required to complete a 25-Pdr. gun and carriage. the total cost thus approximating $24,000.

Two No. 27 artillery trailers, including ammunition trays and free issue items amount to approximately $3,000.

Sighting equipment as manufactured by Research Enterprises Ltd. costs approximately $1,200.

Thus the total cost of a 25-Pdr. Equipment, consisting of one gun and carriage, two trailers, sighting equipment and ancillary stores amounts to approximately $28,200. This does not include the cost of a tractor.

Two-inch Bomb Thrower

The Bomb Thrower is used exclusively as defensive armament in tanks for the purpose of laying down a smoke screen.

The barrel is flanged and jointed, the outer half being bolted to the tank hull or turret and projecting from it; loading being accomplished by unlocking and swinging the inner half open. Firing is done manually by a conventional pistol grip firing mechanism. Canada is manufacturing all of the bomb throwers produced in North America, and installations are being made in both Canadian and American built tanks, in addition to shipment of bomb throwers direct to the United Kingdom.

Capital Assistance

Total capital assistance provided to the Canadian Elevator Equipment Co. for the production of bomb throwers amounts to $204,301.

Cost

The first cost was struck on completion of the first 1,000 units, resulting in a figure of $155.45, which compares very favorably with the original estimate made on a small quantity and much lower production rate, of $255 each. Substantial further reductions are expected.

Sten Machine Carbine

The 9 mm. Sten Machine Carbine was developed in the United Kingdom during 1940-41 to meet requirements for large numbers of "Tommy" guns. The design was kept as simple as possible, in order to combine reliability with ease and cheapness in manufacture.

The photograph and all details concerning this gun cannot be published for reasons of security.

AND STRATEGIC METALS PROCESSING

★ There is no great mystery about North America's great and growing capacity to supply today the combat planes upon which tomorrow's air domination depends. Democracy's ability to match strides with the Axis, stems naturally from the mobilization of the manpower, resources and productive facilities of free men, working voluntarily in unison.

We of the Dorr Company do not build bombers, interceptors, pursuit ships or fighter planes. Neither do we produce ourselves the metal sinews of air power. But we do supply machines and methods for the treatment and processing of strategic ores, chemicals and other materials.

Take a 9000 lb. Bolingbroke Bomber for example — an intricate engine of war, fashioned chiefly of aluminum, steel, magnesium and copper. In the production of all of these metals and many others, we play our part as the table at the right shows.

Mobilized though we are for War Work, we are not forgetting that one day the productive facilities of War will be turned to more peaceful pursuits. When that day comes — when North America turns once more to "business as usual" — we will be in a better position than ever before to serve our industrial clients.

WHAT IT TAKES TO BUILD A 9000 LB. FIGHTER-BOMBER*

Aluminum	4391 lbs.
Steel	3802 "
Brass, Bronze, Copper, etc.	221 "
Nickel and Lead	56 "
Iron and Magnesium	25 "
	8495 lbs.
Balance non-metallic—approx.	500 lbs.

AMOUNTS OF THESE METALS PROCESSED BY DORR MACHINES AND METHODS IN U.S.A. AND CANADA

Aluminum	450,000 tons per year
Iron (steel)	5,000,000 " " "
Magnesium	25,000 " " "
Copper	950,000 " " "
Nickel	250,000 " " "
Zinc	600,000 " " "

*Courtesy Fairchild Aircraft Limited Montreal, Canada.

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